High needs funding in colleges

March 2025

Contents

List of Tables

List of Figures

Introduction

Successive governments have grappled with the challenge of systems for educating children and young people with Special Educational Needs and Disabilities (SEND). In the last year, a change of government has been accompanied by the publication of numerous reports about SEND. Many of these have paid particular attention to the high needs system – the mechanisms that commission and fund support for those children and young people with the highest needs.

Recent reports have tended to focus largely or wholly on issues in schools, but colleges are also part of the system. High needs funding is almost always based on the contents of documents called Education, Health and Care Plans (EHCPs), which are individual to each young person who holds them. Figures from the Department for Education (DfE) show that around one seventh (14.6%) of EHCPs are held by students in further education (FE).[1]

At the same time, we know that colleges are highly inclusive; indeed, the same figures show that only around one tenth of college students with EHCPs are educated in specialist SEND colleges, as opposed to general further education (GFE) colleges, sixth form colleges or land-based colleges.

Figures from the Individualised Learner Record (ILR) show that students with SEND comprise 29.9% of college students funded through 16 to 18 funding. Students with high needs are a smaller group, comprising 6.0%.[2] of college students funded through 16 to 18 funding. Students with high needs have their college places commissioned and paid for by local authorities, so both admissions and support for these students depend upon the relationships between colleges and local authorities.

Colleges provide a vital phase of many young people's journeys to adulthood, yet despite all that has been said about the SEND system, there is an absence of evidence about how well high needs processes succeed in supporting college students. The Association of Colleges has therefore carried out this survey to establish the scale of high needs payments, the ways in which they are spent, and how processes are followed, or not followed, by colleges and local authorities.

---

[1] DfE. 2024. *Education, health and care plans*. Available at: https://explore-education-statistics.service.gov.uk/find-statistics/education-health-and-care-plans.
[2] Association of Colleges. 2024. *What does the ILR say about younger students with SEND?*, p.4. Available at: https://d4hfzltwt4wv7.cloudfront.net/uploads/files/What-does-the-ILR-say-about-younger-students-with-SEND.pdf.

Headline findings

We found that:

- High needs funding formed a significant slice of college budgets, 9% on average, making colleges financially vulnerable to local authorities' commissioning behaviour.
- Only 23% of colleges said that local authorities consistently took account of the financial viability of provision, with repeated reports of income failing to cover costs.
- High needs budgets for individual colleges amounted to £3.2 million per college, on average, showing the large scale of college high needs provision.
- Despite this scale, only 38% of colleges said that their local authorities consistently engaged them in strategic planning.
- Late payment was revealed as a problem. Only one-fifth (20%) of colleges said payments stuck to an agreed schedule and almost one-third (32%) said that payments were delayed beyond the academic year in which support took place.
- On average, 95% of college high needs income was spent on staff, with only 54% spent on learning support assistants. Other staff involved in supporting students included additional tutors, clinicians, and job coaches.
- 42% of colleges said that pay rates for learning support assistants were set by local authorities.
- 69% of colleges said they had been 'directed' to enrol students under the 'duty to admit' even though the college had said they could not meet the young person's needs.
- Despite these problems, over three-quarters (76%) of colleges said their relationships with local authorities were collaborative and 69% gave examples of local authority actions that fostered collaboration.

Context

The national high needs budget, according to the Institute for Fiscal Studies (IFS), in 2024 "currently totals nearly £11 billion and has increased substantially, with a 59% or £4 billion real-terms rise between 2015–16 and 2024–25".[3] The reasons for this growth are widely discussed but poorly understood. Many analyses regard this growth as a problem and ascribe it to an over-reliance on specialist provision in the school sector. This implies a need to create greater inclusivity, so that a wider range of school pupils can be welcomed in mainstream schools.

The previous government published a SEND and Alternative Provision Implementation Plan in 2023 that addressed high needs spending in the context of proposed wider SEND reforms, including the digitisation of EHCPs and the creation of Local Area Improvement Plans (LAIPs).[4] Many of these reforms are still being piloted in 32 local areas by the Change Programme.

The new government has stressed its commitment to SEND reforms. In the autumn 2024 budget, the Chancellor increased the high needs allocation by £1 billion for 2025-6 with HM Treasury's document describing this as an "important step towards realising the government's vision to reform England's SEND provision to improve outcomes and return the system to financial sustainability".[5] A number of recent reports have made complex and overlapping suggestions as to what those reforms might be.

One such example is the 2024 report from the Isos partnership on behalf of the Local Government Association (LGA) and the County Councils Network (CCN).[6] This report highlighted a lack of inclusiveness in mainstream schools, showing, for example, that one in 25 boys between the ages of 11 and 15 are now being educated in special schools. The report links this lack of inclusiveness to its cost, saying "It is not hyperbole to say that it is becoming increasingly clear that SEND represents an existential threat to the financial sustainability of local government. At present a Statutory Override is keeping over £3.2bn of money that has already been spent off councils' balance sheets – a figure that is constantly rising."

The issue this refers to is that each year local authorities receive a high needs allocation from the Department for Education via the Dedicated Schools Grant but the actual spending required is unpredictable. Local authorities can end up spending more than their allocation, creating a high needs deficit. The 'statutory override' is an accounting measure by which this deficit is not considered as part of a local authority's overall

---

[3] Sibieta, L and Snape, D. 2024. *Spending on special educational needs in England: something has to change*. London: Institute for Fiscal Studies, p.2. Available at: https://ifs.org.uk/publications/spending-special-educational-needs-england-something-has-change.

[4] DfE. 2023. *SEND and alternative provision improvement plan*. Available at: https://www.gov.uk/government/publications/send-and-alternative-provision-improvement-plan.

[5] HM Treasury. 2024. *Autumn Budget 2024,* p.59. Available at: https://www.gov.uk/government/publications/autumn-budget-2024.

[6] Isos Partnership. 2024. *Towards an effective and financially sustainable approach to SEND in England*. Available at: https://www.local.gov.uk/publications/towards-effective-and-financially-sustainable-approach-send-england.

solvency. But this override is due to expire in March 2026 so local authorities are faced with a growing need to control their high needs spending, just as the identified needs of children and young people are growing too.

The solutions suggested in the Isos report include a more inclusive mainstream offer, a National Institute for Inclusive Education and the reframing of the role of statutory guarantees for individuals through EHCPs.

A report in October 2024 from the National Audit Office also looked at the SEND system and recommended that government should "explicitly consider whole-system reform, to improve outcomes for children with SEN and put SEN provision on a financially sustainable footing".[7] This led to the issues being examined by the Public Accounts Committee whose report in January 2025 discussed the problem of the 'statutory override' and the need for a better understanding of the reasons behind growth in need.[8]

The 2024 IFS report did not make recommendations but set out a range of options including more support in mainstream schools and reforming the system to remove statutory obligations attached to EHCPs.

Then, in February 2025, the Chartered Institute of Public Finance and Accountancy published its own analysis of both high needs funding and funding for school pupils with SEND but without high needs, and recommended national funding bands amongst other measures.

One recent publication that considered the role of colleges was Ofsted's review of preparation for adulthood (PfA) as a theme in Area SEND inspections of local authorities by Ofsted and Care Quality Commission.[9] The review, published in December 2024, recommended that preparation for adulthood should be more prominent in EHCPs.

From the perspective of colleges, the debate about SEND and high needs spending takes place at a time when college finances are in a fragile state. A separate 2024 IFS report, analysing the financial health and challenges facing colleges in England, concluded that colleges are in a worse position financially than universities and that the growing pay gap between school teachers and college teachers leads to staff not being retained.[10]

---

[7] National Audit Office. 2024. *Support for children and young people with special educational needs.* Available at: https://www.nao.org.uk/reports/support-for-children-and-young-people-with-special-educational-needs/?nab=2.

[8] House of Commons. 2025. *Support for children and young people with special educational needs.* Available at: https://publications.parliament.uk/pa/cm5901/cmselect/cmpubacc/353/report.html.

[9] Ofsted. 2024. *Preparation for adulthood arrangements in local areas: a thematic review.* Available at: https://www.gov.uk/government/publications/preparation-for-adulthood-arrangements-in-local-areas-a-thematic-review/preparation-for-adulthood-arrangements-in-local-areas-a-thematic-review#summary-of-findings.

[10] Moura, B. and Tahir, I. 2024. *The state of college finances in England.* London: Institute for Fiscal Studies. Available at: https://ifs.org.uk/publications/state-college-finances-england.

Methodology

The survey was initially distributed to financial directors, though some reported working with SEND leads and other staff to gather the information. The survey was distributed online and contained a mix of categorical questions, rating scale questions, multiple choice and open-ended questions.

Of 217 colleges in England, valid responses were received from 67 institutions, a response rate of 30%. Most respondents were from general further education (GFE) colleges but one was from a specialist SEND college, four from other types of specialist colleges (for example land-based) and four from sixth form colleges.

Not all colleges responded to every question. The number of responses for each question is either stated in the text or indicated under the respective figure. Some responses that were descriptions of figures were substituted with exact figures, for example 'around 5%' was treated as 5%, and 'less than 1%' was treated as 0.5%.

Although responses from 30% of colleges are meaningful as a sample, distortions may be introduced because colleges with more high needs provision, or more strained relationships with commissioners, may have been more motivated to respond. We also saw a regional skew in response rates with only 20% of London colleges responding but 46% of colleges in the East Midlands. Results should be interpreted with caution.

Findings

The scale of high needs budgets and provision

Colleges were asked to report their total high needs income, including element 2 place funding from Education and Skills Funding Agency (ESFA).

- Annual high needs income, including both element 2 and element 3, was less than £1,000,000 for only nine colleges (or 14%), including three of the four sixth form colleges who responded to the survey (see Table 1).
- Income of between £1-1.9 million was received by 19 colleges (30%).
- Income of between £2-4.9 million was received by 27 colleges (42%).
- This left six colleges (9%) between £5-9.9 million and three colleges (5%) with 10 million or more.
- The mean was £3.2 million and the median £2.4 million.

Table 1: Colleges' total high needs income

Income range	Number of colleges	Percentage of colleges
Below £1 million	9	14%
£1-1.9 million	19	30%
£2-4.9 million	27	42%
£5-9.9 million	6	9%
£10 million or more	3	5%

Base size: 64 respondents

When asked what about high needs income as a percentage of total income, responses covered a wide range, showing how diverse the sector is (see Table 2).

- High needs income made up less than 1% of total budgets for only a single college and was between 1%-1.9% for another three colleges. Twelve colleges (or 20%) gave a figure of 2% or above but below 5%.
- Twenty-seven colleges (44%) gave 5% or more, but less than 10%.
- Eleven colleges (or 18%) gave 10% or more but less than 15%.
- This left seven colleges (or 11%) for which high needs income was more than 15% of total budgets, of which a single college had the majority of their income from this source.

The mean percentage per college was 9% and the median was 7%. These are significant amounts, although it is possible that colleges with more high needs provision were more likely to respond to the survey.

Table 2: High needs income is as a percentage of total income

Percentage of total income	Number of colleges	Percentage of colleges
Less than 1%	1	2%
1-1.9%	3	5%
2-4.9%	12	20%
5-9.9%	27	44%
10-14.9%	11	18%
15% or more	7	11%

Base size: 61 respondents

Respondents were asked the number of local authorities with which they negotiated high needs funding, revealing a large variation between colleges (see Figure 1).

Figure 1: Number of local authorities with which colleges negotiate high needs funding
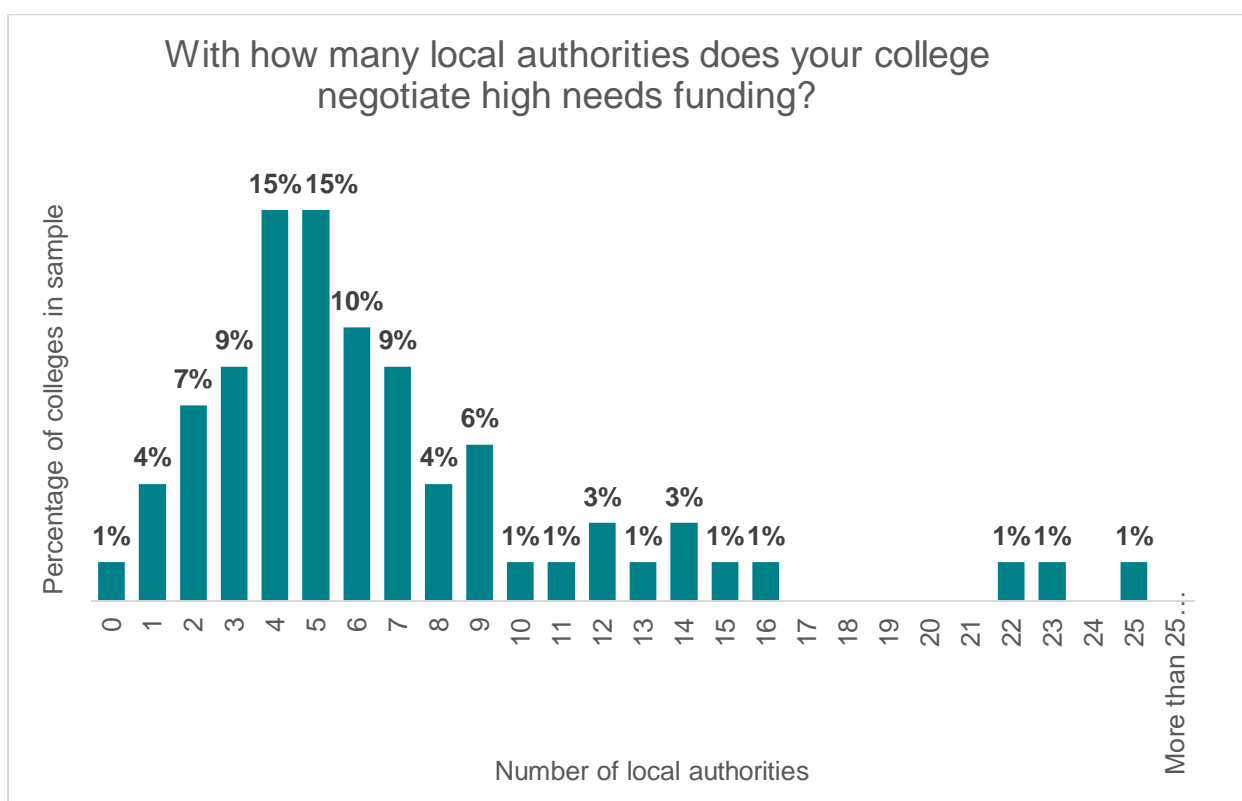
Base size: 67 respondents

The most common number of local authorities per college were four and five local authorities, each representing 15% of colleges, or together nearly a third (30%) of the whole sample.

Colleges negotiating with three or fewer local authorities accounted for more than a fifth (21%) of respondents, though the answer zero may refer to a lack of negotiation, not a lack of local authorities.

A larger number of colleges (29%) worked with six to nine local authorities. A final group of colleges (14%) negotiated with 10 or more local authorities, with the highest number of local authorities being 25. The mean number of local authorities was 6.7 and the median was five.

The five colleges with the highest number were all either specialist colleges of different sorts, which might be expected to have wider geographical footprints, or colleges in Greater London, with a large number of local authority areas in close proximity.

Element 2 place funding

Colleges were asked whether their 'home' local authority responds constructively to changes in the number of element 2 places needed (including changes in the number of cross-border places). Element 2, also known as place funding, is an element of high needs funding allocated per student place. Every year until 2025 the DfE, via the ESFA, allocates a specific number of places to each institution. Each place results in £6000 of funding. DfE guidance sets out a place change process to increase or decrease the number of places for the following year. [11]

Colleges report their actual number of students annually, usually through their 'home' local authority. The high needs operations guide also sets out a process for additional funding in-year when the number of high needs students exceeds the number of allocated places.[12] This in-year process can involve a negotiation between college and local authority to mitigate any shortfall caused by there being more students than places. The guide says that "the amount should reflect the actual costs of making additional special provision available, which may only be marginal, and which may, therefore, require no additional funding or, funding that is less than the full amount of place funding" – in other words, there is an expectation that there may be economies of scale when making provision available.

A college can take students from many local authorities, but colleges must request funding from their home or 'provider' local authority, even when the additional students are resident in another local authority. We asked colleges whether their home local authority responded to changes in element 2 places constructively or not. Most colleges (60%) said they did receive constructive responses, while 17% said their home local authority was not constructive and 27% said their local authority was inconsistent.

---

[11] DfE. 2025. *High needs place change process: 2025 to 2026 academic year*. Available at: https://www.gov.uk/government/publications/high-needs-funding-arrangements-2025-to-2026/high-needs-place-change-process-2025-to-2026-academic-year.
[12] DfE. 2025. *High needs funding: 2025 to 2026 operational guide*. Available at: https://www.gov.uk/government/publications/high-needs-funding-arrangements-2025-to-2026/high-needs-funding-2025-to-2026-operational-guide#high-needs-place-funding.

Figure 2: The extent to which local authorities respond constructively to changes in the number of element 2 places needed

Does your 'home' local authority respond constructively to changes in the number of element 2 places needed, including changes in the number of cross-border places?

Inconsistently 27%

No 13%

Yes 60%

Base size: 67 respondents
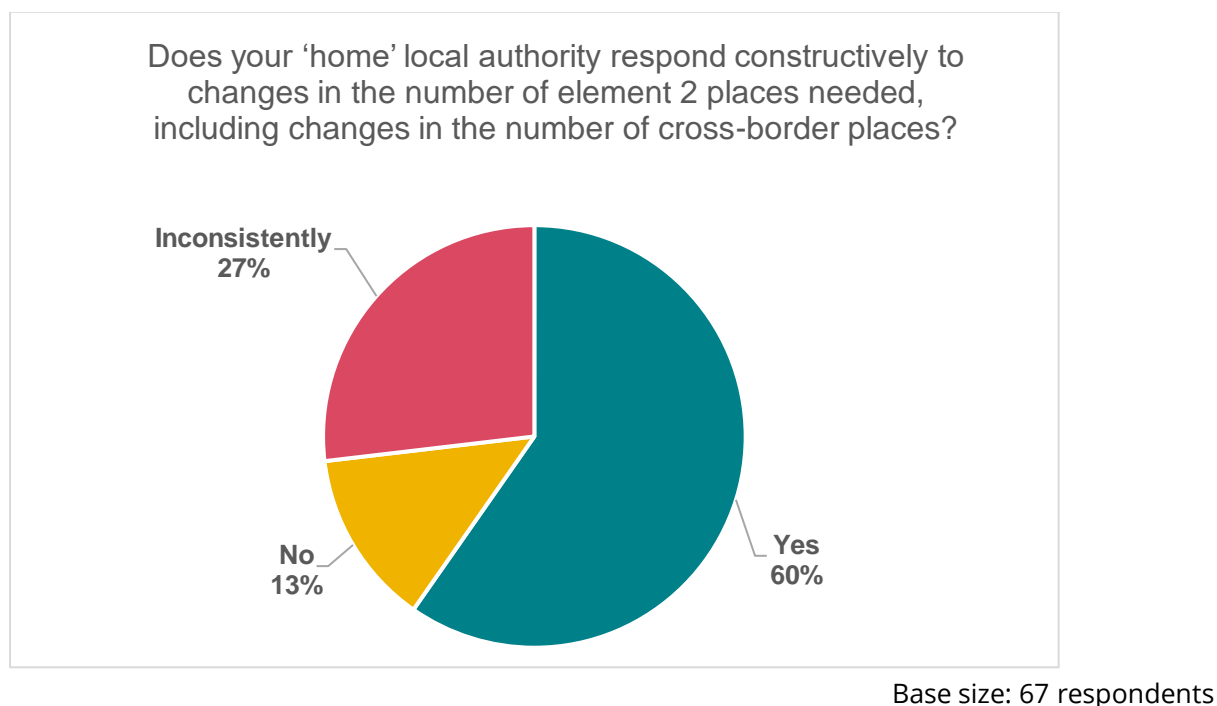
Various problems around element 2 were described in qualitative responses (35 colleges in total), and some issues were reported by more than one college. Several described poor communication, with local authorities being hard to get hold of or a lack of negotiation. Several cited delays in communication, sometimes resulting in the timeframe in the place change process being missed.

Some colleges reported that local authorities do not always follow the process correctly. One said they had experienced no increase in five years, despite submitting increased numbers, another said the same over two years, while another said that their home local authority would only discuss numbers from their own area. One college simply said there was "no planning ahead for place funding".

Other colleges felt they were impacted by the local authority's own budgetary pressures, and one said that the local authority's involvement in the Safety Valve scheme had had a negative impact. Delayed payments were a common issue, impacting upon their cashflow.

Concerns were raised about students going unfunded; one college stated that "element 2 negotiations leave unfunded learners", while another thought the element 2 mechanism was helpful in principle, but not correctly administered in practice:

"The Planned Places system is good as it allows pre-planning time but we don't seem to be able to get the [local authority (LA)] to agree to a number that actually gets close to how

many HN students we have so we are always in a position where we don't get E2 for a lot of students". (survey respondent)

Although some issues were reported by only a single college, these may still illustrate significant pinch points in the system. For example, one college said that they found English local authorities constructive but faced difficulties when students were travelling across the border from another home nation. Elsewhere, the reporting deadline for numbers was considered too early in the year.

The role of schools' data in informing the planning process was raised as a concern, owing to difficulties in obtaining information:

"*Our home LA has been unable to share details of current Y11 high needs funded students to inform the place planning process so commissioning is based on historical funded places with limited opportunity to adjust numbers to reflect need".* (survey respondent)

Strategic planning

Agreeing a number of high needs places for the following year is not the only possible way that colleges and local authorities can collaborate on planning numbers. The needs of high needs students differ greatly from one another so more planning is needed than a single figure for the number of places. Some students study alongside students who do not have high needs on academic or vocational courses. Others may need specialist provision, and within that category there is a difference between the facilities and staff needed by, say, students with Profound and Multiple Learning Disabilities (PMLD) and those studying Entry Level 3 vocational programmes in catering or hair that will support them to progress to mainstream courses and employment.

When we asked about these more strategic approaches to numbers planning, a minority of colleges (38%) said their home local authority engaged them in strategic planning (see Figure 3). The same proportion said their local authority did not and the remaining 24% said their home local authority did this inconsistently.

Figure 3: Local authority engagement with high needs planning, aside from the element 2 process

Aside from the element 2 process, does your 'home' local authority engage you in other high needs planning - for example by planning numbers for specific cohorts of students, or longer term strategic planning?

Inconsistently 24%

Yes 38%

No 38%

Base size: 66 respondents
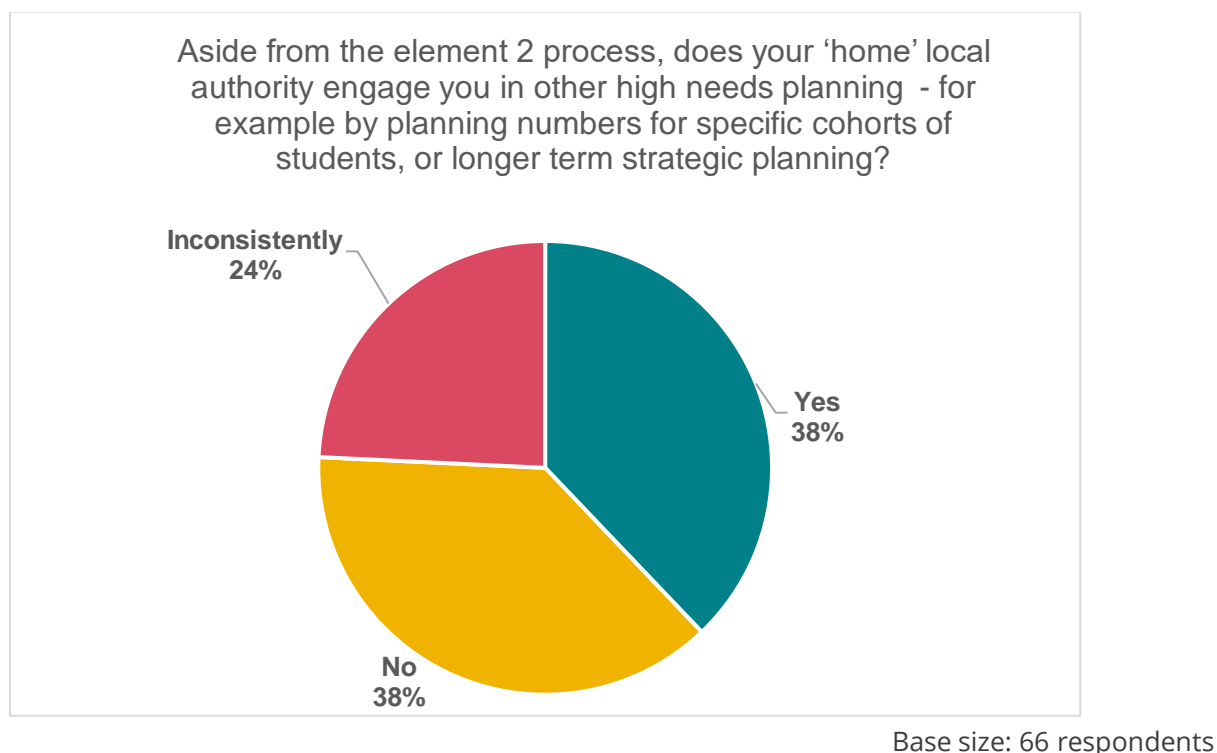
When asked about other issues around high needs funding, strategic planning was mentioned by three colleges. One described "Lack of long-term strategic planning of high needs numbers and type of provision needed" – an important point as element 2 numbers planning does not distinguish between types of places. Another college talked about a "Lack of robust data from LA to inform forward planning", a striking omission since most students' needs will have been known to local authorities for many years. Also raised was the local authority's "limited strategic stability", though it was described as "recently improving".

Alternatives to individual student payments for Element 3

The default method used for agreeing the Top Up element of high needs funding, known as element 3, is for colleges to send a high needs funding form for each student to that student's resident local authority. The form details the support needed and the cost requested. This can then be agreed or act as a basis for further negotiations. Some local authorities prefer alternatives to individual funding forms. Some prefer a block grant where a single sum is agreed for one year or more, with an option to reconcile at the end of the year if the actual costs have been very different. Others prefer a banding system, where instead of calculating a separate cost for each individual, students are assigned to a limited number of bands.

Findings revealed that around three quarters of colleges (76%) did not use a block payment approach with any of their top three local authorities, 15% used this approach

with one of their top three, and 8% used this approach with two of their top three (see Figure 4). A single college used this approach with all of their top three local authorities.

Figure 4: Number of local authorities using a block payment approach, among top three collaborators

Of the top three local authorities that you work with, how many use a block payment approach rather than agreeing amounts for individual students?

All three
1%

Two
8%

One
15%

None
76%

Base size: 66 respondents
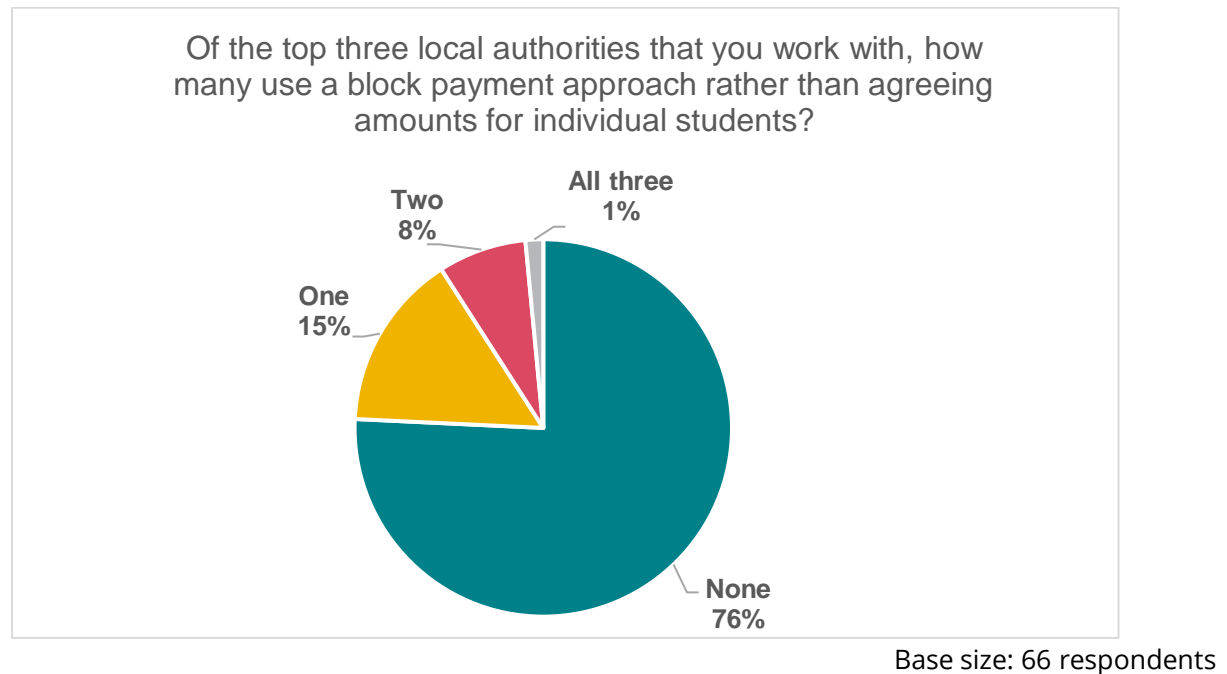
Banding systems were more widespread than block payments, but were still used in a minority (46%) of cases (see Figure 5). Just over half of colleges (54%) did not use a banding system with any of their to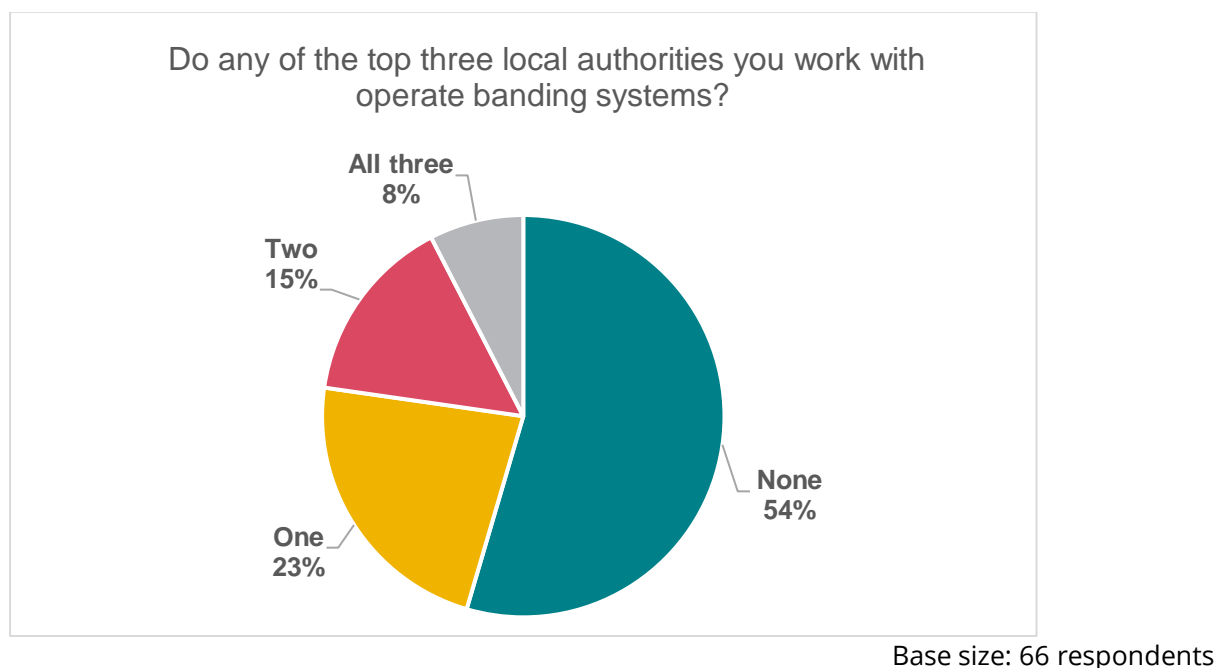p three local authorities. On the other hand, 23% used this approach with one of their top three, 15% used this approach with two of their top three, and 8% (or five colleges) used this approach with all of their top three local authorities.

Figure 5: Number of local authorities operating banding systems, among top three collaborators

Do any of the top three local authorities you work with operate banding systems?

- All three 8%
- Two 15%
- None 54%
- One 23%

Base size: 66 respondents

Various issues were reported to arise because of banding systems, with qualitative responses from 30 colleges. Some said that banding was insufficient to meet needs (5 colleges), that pre-determined banding does not match required provision for the young person (3 colleges) or that banding simply did not match the actual costs (9 colleges).

For two colleges, part of the problem was applying school bands to college students.

"The reason behind these mismatches is typically due to the fact that their band was placed on the situation when they were in school, whereas the experience at college can be very significantly different; some students perform much better in the college environment and require less support than they did in school, while others can really struggle with the transition to a large, busy mainstream FE setting and require higher levels of support at least initially". (survey respondent)

On the other hand, one college said that banding did work, but only because bands were reviewed post-16.

Support and funding were identified as dependent on having information about students' needs; one college said that information was not timely, another that inaccurate information can have serious consequences:

"(needs can) present very differently than what is costed in the original bands. This is due to the EHCP often being out of date or "key information" being hidden or removed. In some circumstances, we have advised that we are unable to meet a learners' needs, for example

15

due to violent behaviour, but the local authority have responded that they would remove the line so that there is no grounds for refusal". (survey respondent)

Other colleges were more positive about banding, with 11 colleges saying that issues were minor, that appropriate levels of support could be negotiated, or that costings generally balance out. The system was also perceived as beneficial because it was less labour-intensive than making separate funding claims for each individual. One said that "we have good relations and therefore can negotiate bespoke costs if required and increase or decrease a banding value and update the EHCP".

How Element 3 rates are set

Colleges were asked whether any of the top three local authorities they work with set staff hourly rates. Overall, we found considerable variation. Among all 67 colleges in the survey, 42% of colleges had hourly rates that were set by local authorities, while 7% reported that they set their own rates. The remainder (51%), said the question was either not applicable, they were unsure, or gave no answer.

The overall picture is therefore similar to that reported five years ago by 2020 LGA, AoC, and Natspec research about post-16 high needs funding, which found that some colleges were 'price-takers' and others 'price-makers'.[13]

One college's comment gives an insight into the price setting process. They said the local authority "use a locally devised "Fair Funding" formula.... our actual costs for a LSA in pension is in excess [of this] – we have offered to operate on a cost basis and open book which has been declined." This seems to offer a contrast to the process in the high needs operations guide.

Colleges were also asked about hourly rates set for other categories of staff. The overall numbers of colleges reporting were small (27 colleges), limiting what can be concluded from this other than that there is a wide range of roles for which rates can be set. These included clinical roles such as speech and language therapists (SaLTs), occupational therapists (OTs) and physiotherapists. One college had a rate set for nurses.

Other roles included job coaches, mentors, wellbeing mentors, dyslexia specialists, interpreters, communication support workers and, in 12 colleges, tutors or lecturers. One college added that their local authority "have a full funding matrix of fixed rates for all types of support which have not been reviewed since 2016."

---

[13] LGA, AoC, and Natspec. 2020. *Planning, commissioning, funding and supporting post-16 high needs students.* Available at: https://www.local.gov.uk/publications/planning-commissioning-funding-and-supporting-post-16-high-needs-students#:~:text=Planning%2C%20commissioning%2C%20funding%20and%20supporting%20post-16%20high%20needs,and%20supporting%20provision%20for%20post-16%20high%20needs%20students.

Punctuality of payment

Colleges were asked whether local authorities make payments on time once costs have been agreed. One-fifth (20%) of colleges said that payment schedules were established before the start of the autumn term and adhered to (see Figure 6). The remaining 80% experienced delays in payment; 11% said that there were delays during the Autumn term, 38% said there were delays during the year, and almost one-third of colleges (32%) reported that payments were delayed beyond the academic year in which support took place.

Figure 6: Punctuality of payments by local authorities once costs have been agreed

Once costs have been agreed, do your local authorities make payments on time?

Yes, payment schedules are established before the start of the autumn term and adhered to	20%
No, there are delays in payment during the autumn term	11%
No, there are delays in payment during the year	38%
No, some payments remain outstanding after the end of the year	32%

Base size: 66 respondents

In qualitative responses, four colleges said more about the timing of payments, with one pointing out that "E3 and additional E2 payments are made following the end of each term meaning costs are carried by the college for up to six months before payments are made".

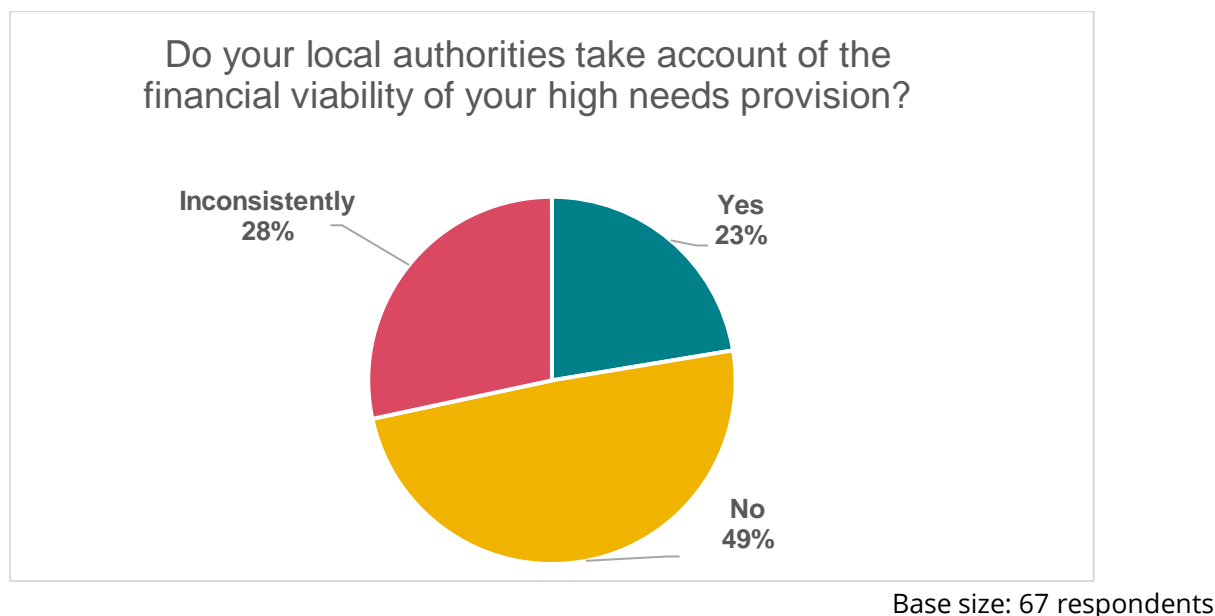Two colleges reported receiving payments without enough remittance information to determine which students or which time frame payment related to.

Financial Viability

The high needs operational guide says that "When determining top-up funding, local authorities should take account of the overall budget required for the provision to remain financially viable, including cost increases such as for utilities and staff pay

awards.".[14] Despite this, only 22% of colleges said local authorities took into account their financial viability, 28% said their local authorities were inconsistent and very nearly half (49%) said the local authority did not take their provision's viability into account (see Figure 1).

Figure 7: Local authorities' consideration of financial viability of provision

Do your local authorities take account of the financial viability of your high needs provision?

Inconsistently 28%
Yes 23%
No 49%

Base size: 67 respondents

Negotiation of element 3 costs for individual students is a part of the system that is potentially beneficial as means by which both personalisation for the student and viability for the provider can be factored in. But many colleges reported dysfunctions within the process, which was said to be needlessly burdensome by ten colleges, while another four said that local authorities took too long to reach funding agreement, leaving the college carrying cost in the meantime.

Colleges referred to their local authorities' own financial pressures, with one saying "Our top 2 local authorities... have cited financial pressures when discussing the hourly LSA rate" and another saying that the local authority "expects college to cross-subsidise (support for high needs students) from other funding sources". The result of these pressures was insufficient income according to fourteen colleges. Colleges said that when they are price-takers this can result in costs not being covered:

"Discussions on rates to inform top-up funding are lengthy and protracted and result in rates that the LA are prepared to pay rather than fees that cover costs. Hourly rates have not kept pace with inflation, rising by just 8% in the last 6/7 years. Funding for directly commissioned sensory and PMLD courses that were established on the basis of a cost per course are now adjusted based on student numbers and rates have only been increased once in the last 6/7 years meaning that this provision is no longer financially viable and is at risk of closure". (survey respondent)

---

[14] DfE. 2024. *High needs funding: 2024 to 2025 operational guide*. Section 11.5. Available at: High needs funding: 2024 to 2025 operational guide - GOV.UK.

Low funding rates can impact the recruitment and retention of the support staff, which "in turn can negatively impact on student retention, progress and outcomes". One college described difficulties in changing low hourly rates, creating challenges with sustaining high needs provision:

"for a number of years… the hourly rate paid by our home local authority… did little more than cover the National Living Wage, it took over 12 months of discussions to result in a change. We highlighted the fact that this hourly rate suppressed the wage that we could offer our LSAs (of which we have over 50 in the College), and that better wages could be earned at the local supermarket. We were experiencing severe difficulty in both recruiting and retaining LSAs, and that the sustainability of our High Needs provision was therefore being undermined". (survey respondent)

Another college said that it was a banding system for element 3 that led to insufficient funding for provision.

Other aspects of costs

One college specifically talked about the difficulty in paying for staff time to carry out annual reviews and put in place exam access arrangements. Another type of unfunded activity is hosting EHCP reviews for students whose support needs are not high enough to cross the £6000 threshold that defines high needs. One college drew attention to these reviews but this is likely to be the case nationally as ILR figures show that around a quarter of college students with EHCPs do not have high needs.[15] One college pointed out that this is partly because their local authority's rates can be so low that the total annual cost can fall below the threshold, so neither element 2 nor element 3 are triggered.

Health costs were a particular problem for three colleges. Two noted "challenges around the availability and sourcing of professional roles such as SALT and OT" referring to speech and language therapy and occupational therapy. Another described a situation where the local authority was "not accepting the level of support required for example we have an A-level learner who is in a wheelchair and needs access to a standing frame once a week during the college day, the learner also needs break and lunch time support and personal care. The LA have refused to pay all of the cost associated with this learner. We have had to go back to the LA four times to get them to agree to the level of support needed. We are still awaiting an outcome…".

Three colleges referred to a lack of capital investment, with one talking of "The increasing demand to meet the needs of learners with significant EBD, SEMH and Complex learning, medical, physical and behavioural needs for which FE Colleges are

---

[15] Association of Colleges. 2024. *What does the ILR say about younger students with SEND?,* p.4. Available at: https://d4hfzltwt4wv7.cloudfront.net/uploads/files/What-does-the-ILR-say-about-younger-students-with-SEND.pdf.

generally not equipped or resourced. In particular, the capital and staff investment that can be required."

Consultation process

Difficulties with consultation process

Colleges reported a range of issues about the consultation process by which places for high needs students are commissioned. The SEND Code of Practice sets out a process by which the local authority sends a consultation letter to the college for each applicant, accompanied by an EHCP, asking if the needs described in the EHCP can be met at the college. The process therefore depends upon applicants' needs being stated accurately in their EHCPs, following annual reviews.

The quality of EHCPs was raised by 10 colleges. EHCPs were said to be "significantly out of date – outcomes not appropriate for college/adulthood" and in some instances "being out of date… still showing needs at a primary school setting" or "not updated since year nine". In another case they were "not updated and on occasion significant risks and support need are not clearly articulated or declared".

The effect was that this "resulted in students being enrolled to a course that is not suitable for them". One college also noted that the problem did not necessarily end when students were at college, because although the college hosted annual EHCP reviews, the agreed changes were not made to the EHCP itself. Four colleges pointed out that the local authority did not attend annual reviews, even including "emergency annual reviews when an urgent need is required, leaving young people not in education.

Colleges also remarked on the consultation process itself. Blanket consultations, in which large numbers of letters are sent, were reported by three colleges receiving consultations about students "who have not applied to us and have no intention of doing so" or "where it is very clear we are not the right educational establishment to meet such complex needs."

Other consultations were not timely, according to four colleges. There is a deadline for providers to be named in EHCPs by 31March for the following September, meaning that consultations must be sent in good time before that date for colleges to respond, for the authority to make a decision, and for the EHCP to be updated with the name of the new provider. Colleges described "consults being sent from the majority of LAs after the deadline, some as late as the start of term in September" or "late consultations during and after enrolment" or "last minute, complex consultations".

Some other issues about the consultation process were raised by smaller numbers of colleges. Two thought that the consultation process was onerous and one said the same about the process of reviewing EHCPs. Two colleges described students with EHCPs enrolling without consultations, suggesting disengagement by the local authority. Another college felt that students suffered from "a lack of specialist careers guidance

and understanding of resources available for those with complex needs and what that looks like within a mainstream education setting". One college said that they were not informed when the local authority took the decisions to cease EHCPs, and one said agreements were "rescinded even although staff and resources have been put in place as a result of the agreement."

Good practice in information sharing

Other colleges described ways in providing clear information supported the consultation process. According to 10 colleges, collaborative approaches to commissioning were fostered by information sharing, one of which highlighted how this improved the timeliness of decision making:

"We now produce more and more information to help local authorities manage their workload. E.g not only submitting cost forms but submitting summary spreadsheets that local authorities can scrutinise. This helps them make decisions more quickly – but is considerably more work for us." (survey respondent)

Another college said they have regular meetings that have led to improved communication and in turn, the ability to expand their provision:

"Regular meetings with host authority. Improving communication regarding the element 3 funding required to meet the needs of more complex high needs, therefore reducing the number of consultations where we say we cannot meet need. This is enabling us to expand our High Needs provision." (survey respondent)

One college described "Asking LA's destination data for young people leaving school so we could predict numbers and therefore the potential need", in other words, information was shared in different ways to enable both college and local authority to make plans in advance of the formal consultation process.

The duty to admit

A feature of the consultation process by which local authorities commission places at colleges for children and young people with EHCPs is that if a college says it cannot meet a particular applicant's needs, the local authority can still direct the college to admit the applicant. In the Children and Families Act 2014, this is called the 'duty to admit'. We asked colleges how frequently this happens.

More than two thirds of colleges (69%) said they had their consultation replies over-ruled this year. This was true for less than 10 applicants in 44% of colleges but in a quarter of colleges (25%) there were than 10 or more cases of direction. Two colleges reported this happening around 30 times.

Meanwhile nearly a third of colleges (31%) had not had this happen, although one said that this was unusual and that they had had many cases in previous years. Only three colleges did not respond to the question.

Colleges made various comments about the impact of enrolled students whose needs could not be met. One said they had had eight cases this year:

"these have been mainly students from special schools with a track record of significant aggressive behaviour to other students and staff. We have explained that these students may require regular physical intervention (We have advised the Local Authority that [we cannot safely] address the needs of these students and they simply impose the student on us)". (survey respondent)

Another college had had "at least ten" cases and said the practice "has been difficult and concerning. We have had instances of violence, putting staff and learners at risk because information was not shared." Another college had five students directed to them and to resolve the issue it was necessary for the principal to meet with the local authority.

Some colleges suspected that inappropriate direction was driven by financial motives, for example, that "they seem to want to do things as cheaply as possible which is not in the interest of the students or college". Another said that pressure on local authority budgets meant there was "Need for LAs to look for savings wherever possible. LAs push to place learners who may not be suitable for General FE environment".

Some colleges pointed out that events had vindicated their initial consultation response. One experienced "local authorities directing us to take a young person, only then to take huge amounts of staff resources for the placement to fail anyway, based on our original consultation response" while another said they had been directed to take a student who was then "withdrawn due to non-attendance".

One college explained their painstaking approach to assessment:

"Heavily detailed responses to LA to justify the rare occasions when College demonstrate that they cannot meet need have been ignored. The LA has presented as being the expert rather than listening to the expertise of the college and the previous place of education and on occasion the student and parent and still placed the student at the college. LA has placed students at the College inappropriately when they have gone on to admit that they have no understanding of the setting. LA have placed students at the college after being informed that it will cause huge detriment to other students and the student being placed. LA have cited that College should follow a formal disciplinary route to permanently exclude a student rather than to state they cannot meet need at the point of consultation." (Survey respondent)

Another college made a similar point, claiming that "LAs know that we cannot meet needs and placement is likely to breakdown but still name the college. Student is not at the heart of the process."

22

How high needs income is spent

This section explores the different purposes to which high needs funding is put in order to support students. Students' needs are varied and different colleges have different cohorts so we might expect to see wide variation. Findings confirm this, although some differences between colleges may reflect variation in how colleges account for their spending, for example whether management of support staff is considered as a separate line. For individual colleges we found that adding categories together did not always produce a total of 100%; some categories can overlap, for instance spending on specialist tutors and on small class sizes are not necessarily separable. Some responses also show variation in local authorities' willingness to meet requests for this type of costs, with implications for the clarity of the high needs operational guide.

Learning support assistants (LSAs)

The purpose of high needs payments is to pay for additional support that a student needs to access, and succeed in, their curriculum. It might be supposed, therefore that the majority of high needs income would be spent on learning support assistants (LSAs). We found a more complex picture.

The proportion spent on LSAs varied from as low as 15% to as high as 100%. Spending on LSAs was less than 25% of high needs income in 5% of colleges, between 25% and 49% in 37% of colleges, between 50% and 74% in 43% of colleges, and 75% or more in only 15% of colleges (see). Some of the variation might be caused by staff being described in different ways in different colleges.

The mean percentage spent on learning support assistants, weighting each college equally, was 54%.

Proportion spent on LSAs	Number of colleges	Percentage of colleges
Less than 25%	3	5%
25-49%	22	37%
50-74%	26	43%
75% or above	9	15%

Base size: 60 respondents

Clinical staff

The proportion of high needs income spent on clinical staff, such as nurses, SaLTs, physiotherapists and OTs, was variable.

Two fifths (40%) of colleges spent nothing on clinical staff or said that the question was not applicable, though that does not imply that students do not have clinical needs, since some students will have their needs met without the costs passing through

college budgets. Nearly a quarter (23%) had some spending on clinical staff but not more than 1%, while 29% of colleges had spending above 1% but not exceeding 5%.

The remaining 8% of colleges were those spending the most, with clinical costs ranging from 6.1% to 18%. Of these top five, one was a specialist SEND college and the others were GFEs. Another five colleges did not answer the question. For those that did, the average spend was 2% of income.

Specialist tutors

Spending on specialist tutors was again extremely variable; 18% reported no spend, and 81% of colleges reported a wide range of figures from less than 1% to 44%. A single college reported spending more than half their high needs income on specialist tutors. The mean spend was 11% of income (from a base size of 61 respondents).

For students with SEND learning on academic or vocational courses alongside peers who do not have SEND, there are no costs created by class sizes. This is because the teacher is funded through the element one programme funding in the same way as for other younger students. Some specialist SEND programmes, however, typically teach students in smaller classes. This unavoidably increases per-student costs and so many colleges request funding to meet those costs.

Small class sizes

Findings revealed that 42% of colleges did not spend high needs income on small classes. One quarter (25%) gave figures of less than 10%, and one third (33%) of colleges gave figures from 10% to 33% of high needs income. The mean was 7% from a base size of 55. Small class sizes are a significant part of what high needs is used to pay for.

Other staff

For other staff, the proportions are again highly variable; 16% of colleges spent nothing on staff other than those already examined, and the remaining 84% spent amounts ranging from 2% to 45% of income. The mean was 10% of income from a base size of 58.

Indirect costs

Indirect costs, such as management of support staff, holding EHCP reviews or employer engagement on supported internships, were also variable. Most did spend something on indirect costs and among those the 8% who spent nothing on indirect costs, two colleges were not permitted to by their local authorities. For 39% of colleges, indirect amounts were less than 10% of budget, while a small majority (53%) spent 10% or more, bringing the mean to 12%, from a base size of 59.

Non-wage costs

Non-wage costs were reported as nil by 14% of colleges. A further 16% reported costs as less than 1% or as "negligible". Some colleges spent a little more, 40% of colleges spent 1% or more but less than 5%. A smaller number had a higher proportion – 17% of colleges spent 5% or more but less than 10%. A final 14% of colleges had the highest non-wage proportions, with figures of 10% or higher, though one of these colleges noted that they were including subcontracting costs as non-wage costs, illustrating the difficulty of comparing like with like, when colleges arrange and fund their provision so differently from one another.
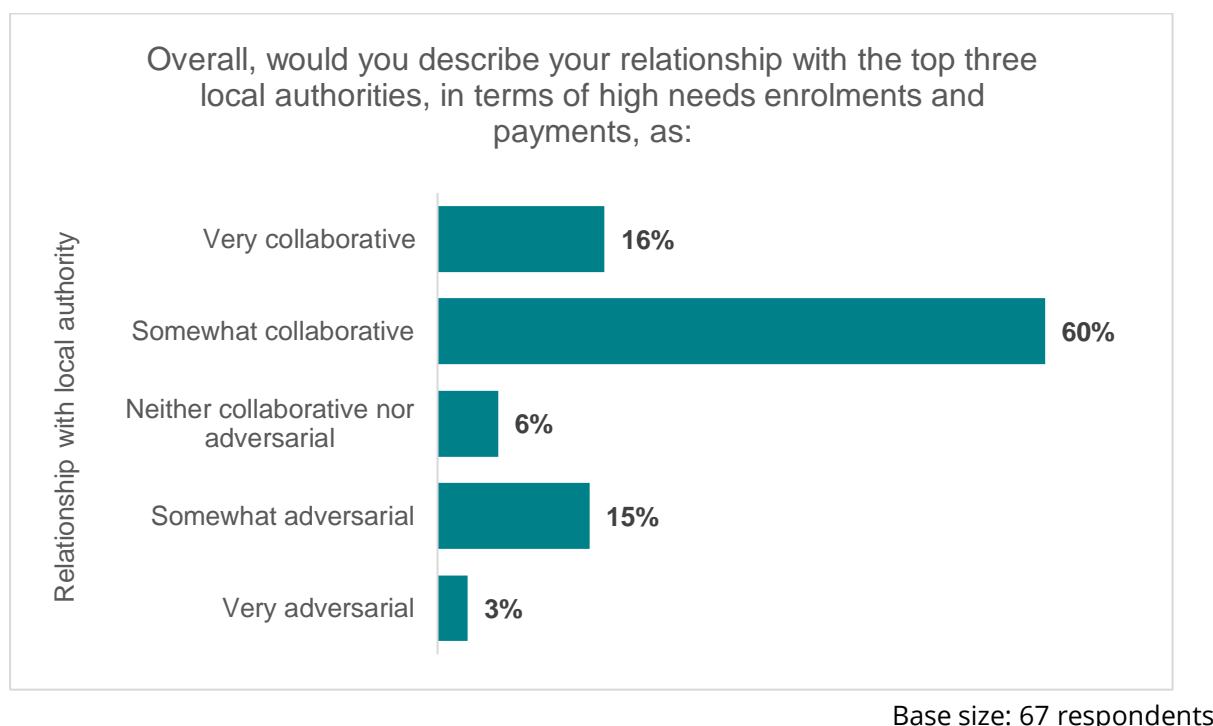
The mean figure was 5% for non-wage costs, from a base size of 58, meaning that an average of 95% was spent on staff.

Relationships with local authorities

Collaborative relationships

Of all 62 survey respondents, 69% gave examples actions by their local authorities that fostered collaboration. When asked to describe their relationship with their top three local authorities, in terms of high needs enrolments and payments, over three quarters (76%) of colleges characterised relationships as collaborative – 16% very collaborative and 60% somewhat collaborative. Around one fifth (18%) said the relationships were adversarial; 15% stated somewhat adversarial and only 3%, or two colleges, thought the relationship was very adversarial. The remaining 6% of colleges were neutral.

Figure 8: College's relationship with top three local authorities

Overall, would you describe your relationship with the top three local authorities, in terms of high needs enrolments and payments, as:

Relationship with local authority	
Very collaborative	16%
Somewhat collaborative	60%
Neither collaborative nor adversarial	6%
Somewhat adversarial	15%
Very adversarial	3%

Base size: 67 respondents

More general comments about having good, collaborative relationships were made by 10 colleges, though some of the responses also noted constraints, with saying they were "open to dialogue and collaboration but funding constraints make things more difficult" and another that the college had been "dealing with the same person on the finance side for a number of years we do have a good relationship with them when we can get in touch with them".

In one case the college and local authority "maintain open and transparent relationships in regard to budget challenges and work together in a genuine spirit of serving the needs of HN learners through high quality and efficient provision" while another college said that "Partnership goes both ways, we are invited to be part of the decision making process, they rely on our post-16 expertise to advise them, most recently they have allocated us a vote within the decision making process".

Communication and inconsistency

Inconsistency in communication was a frequent theme, raised by ten colleges, with one saying that "approaches vary between local authorities, our lead LA is incredibly supportive and works in partnership with us, others sometimes do not and communication between the college and them can sometimes be problematic". Nine colleges talked about communication difficulties sometimes in strong terms, saying that authorities "refuse to engage". One college said that it was "difficult to speak to anyone or have a general person to communicate with some… staff changes can cause delays" and altogether six colleges cited staff turnover at authorities as part of the problem.

In contrast, many colleges reported good communication including regular conversations or meetings with caseworkers, for example to review students' needs. Others reported good communication via email and phone conversations or requests, regular dialogue or regular communication and responsive local authorities. One said that "Key officers at top 3 LAs are accessible for queries and problems". Altogether, 16 colleges made comments of this kind about communication.

Regular and irregular meetings

The value of both regular and irregulars meetings, of various frequencies and at various levels within organisations were reported by 40 colleges. In one case:

"Termly meetings with the HNF commissioner from our largest LA. Termly case management meetings to predict HNF numbers from specialist educational settings".

Meetings were not only about school to college transition, but also to transition to adult care services – one of these colleges said that they were "Working to support and bridge gap and complaints linked to transition from children's to adult services. Reach out to adult service provision to try to secure support for student and families and find out which workers have been allocated".

Improved relationships

Recent improvements in relationships including good or improved collaboration or joint planning, were reported by 18 colleges. One said that "less staff turnover at home LA improved relationships".

Others reported that they had worked to improve processes involved in the college-local authority relationship, for example one had "aligned a cost form and consultation process, enabling consistency – some LAs accepted, some refused". Many of the 18 talked about good or improved collaboration including joint planning. One college said that they were working towards more joint decision making, while another said that consultations were "starting to better reflect capacity of College to meet individual needs".

Proactive local authorities

Three colleges gave example of local authorities being especially proactive. One said that their local authority had strengthened its work on Preparation for Adulthood (PfA) and "have developed a new post 16 strand within their SEND service to ensure closer working and links. They have also introduced a PfA role to support young people and families to navigate the local options and they work closely with college."

A third said "The LA have recently started approaching us to plan new alternative provision and are offering grants to put in place the appropriate accommodation and equipment. For example PMLD and SEMH provision".

Working with parents, schools and other colleges

The way that the relationship with the local authority supported work with students' parents was described by two colleges, one of which "regularly tries to bridge communication between parents and LA" including offering to mediate when parents have complaints.

Similarly, seven colleges described their local authority encouraging or facilitating links with schools, including colleges attending annual EHCP reviews in schools to plan transition.

Colleges also reported collaborating with one another. One said that their specialist staff "support other colleges when they are struggling", while in one region, multiple colleges met with their local authority together.

Local networks and projects

Representation at local meetings, networks or steering groups was reported by 22 colleges. The groups in question included local SENCo networks, groups set up as part of the Change Programme and the local Strategic Schools Forum. In one case "The

college is on the SEND networks of two of its local authorities. The Principal is on the Strategic SEND review panel for the Change Partnership", exemplifying the importance of SEND provision to college leaders.

Additional resource

Additional funding and resource, including the recruitment of specialist staff, were reported by eight colleges. Local authorities provided funding for specific project including a (potential residential unit, a specialist provision, and a particular model of Supported Internship Four of these colleges reported the benefits of creating new posts instance one college has "Transition Support Coordinators assigned to sites" while another said that:

"Following repeated requests from ourselves, the local authority has recently designated a named staff to oversee EHCPs for all young people in and progressing to post-16 provision, to hopefully help improve the quality and relevance of EHCPs for our students". (survey respondent)

Training opportunities

Training opportunities were shared by four colleges, including hosting local authority training sessions at the college, with staff in attendance. In one case "College SENDCos support the training of LA case officers working in secondary schools to develop an understanding of the college offer but also to aid transition", while in another case there were "Training events put on by the college for Educational psychologists and SEND lead workers".

Conversely, another three colleges said the local authority offered training – in one case they "delivered training to college staff carrying out EHCP reviews".

Site visits and events

Site visits for their local authorities were offered by 11 colleges to help local authority staff "understand provision" at which they were commissioning places and to liaise "over specific needs for high-needs learners". In another four cases, the local authority hosted or facilitated events. One college, in response to a question about the local authority's actions said they "Facilitate regular networking events, maintain open and transparent relationships in regard to budget challenges and work together in a genuine spirit of serving the needs of HN learners through high quality and efficient provision".

Discussion

Colleges and local authority SEND departments both work to support the education of young people with SEND. Yet the results of this survey show that the relationship between these parts of the public sector can sometimes be strained. Almost half of colleges said that their main local authorities did not take into account their financial viability, indeed a consistent theme that emerged was that income often failed to cover the costs of provision.

The survey responses reveal a contrasting landscape. On the one hand, we heard of poor communication, requests for meetings going unanswered, students' needs not funded, below-cost funding rates being imposed, payments withheld for months or more, and groundless commissioning decisions being enforced via the duty to admit. On the other hand, most colleges said their local authorities were collaborative. There were concerted and creative efforts by many colleges to build collaborative relationships with their commissioners, and most colleges appreciated the proactive efforts by local authorities.

It is clear from some responses that part of the problem is the financial pressure local authorities are under, however financial pressures alone cannot explain all our responses. Instead, our responses support the argument, made for instance by Isos partnership in 2024, that the SEND system as a whole is bedevilled by its actors having the wrong incentives and accountabilities. The implication of this is that different accountabilities are needed for local authorities in particular.

The duty to admit

On the duty to admit, the widespread concern about inclusivity in the schools sector does suggest a need to empower commissioners to carry out their decisions. However it is unclear why this is needed in the college sector when colleges are so inclusive. This does seem to be an example of a mechanism being put in place with schools in mind, that then has perverse consequences for colleges.

This practice is used on a large scale; more than two thirds of colleges have their admissions decisions over-ruled, sometimes in large numbers, and sometimes for young people who the local authority had placed in specialist providers when at school. Some of the decisions seem to be based on lack of knowledge of the environment into which students are placed. Of course, this also raises the question of why some colleges cannot meet some needs, meaning that the question of the duty to admit is not entirely separable from the question of strategic planning – it is possible that some needs could be met if provision was planned ahead.

Consultations

On the consultation process, we heard that EHCPs were often not up to date or contained outcomes not suitable for college. This made it hard to give a meaningful

response to a consultation, hard to plan or cost support, and hard to suggest the right course for the student. We heard about consultations, including complex ones, being sent months after the statutory deadline, or even after the start of term. Although the focus of this survey is on the operations of the high needs system, each one of these cases is also a real student who has been left without knowing where the next phase of their education will take place.

Viability of provision

We learnt from our survey that there are widespread cases of high needs funding simply not covering the cost of provision. We saw that the vast majority of high needs funding is spent on staff, so it is not surprising that colleges reported difficulties in staff recruitment and retention. Some recent reports, again the 2024 Isos report is an example, have talked about the problem of how to make mainstream schools more inclusive. In colleges the question is not how to create inclusivity but how to sustain it. So, when we see mainstream colleges reporting that they have provision for students with learning disabilities that is at risk of closure, then we can see that there is a real danger of inclusivity not being sustained.

We also learnt from our survey that high needs income is a large section of colleges' entire budgets – 9% on average. This demonstrates colleges' inclusiveness but at the same time, the higher this figure is, the less scope there is to satisfy any shortfall from other budgets. So, the more inclusive colleges are, the more vulnerable they are to local authorities commissioning places below cost.

The danger is that the financial instability of local authorities will be, and in some areas already is, passed on to colleges, undermining not only the viability of high needs provision, but of colleges themselves. Much of the national debate about the future of the SEND system has focused on the school sector, especially the question of how mainstream schools could be incentivised to become more inclusive in their admissions. Colleges are highly inclusive but if funding does not cover costs, then colleges are faced with a powerful disincentive to inclusion. Our responses showed other issues that might be disincentives too, like the delays in agreement or payment, and the lack of capital investment to create the facilities students need.

Processes

The positive practice revealed here demonstrates what can be, and often is, achieved when colleges and local authorities work together. But throughout our responses a theme emerged of established processes not being followed, like the element 2 place planning process, or the 31 March deadline for 'naming' providers in EHCPs. Few colleges criticised the processes themselves, perhaps because of the positive examples of processes working.

Recommendations

To preserve the inclusiveness of colleges, then, we need to see three types of change: clarification of some existing guidance, better accountabilities over whether the guidance is followed, and the equipping of local authorities to be capable of following guidance.

Guidance

The high needs operational guide should be revised to strengthen the advice for local authorities to be mindful of the financial viability of college high needs provision. We note that the 2025-26 guidance is less clear than the 2024-25 guidance quoted in this survey.

The high needs operational guide should be revised to strengthen the advice that when agreeing in-year payments for when the number of enrolled high needs students exceeds the number of allocated places, that payments from the provider local authority should be sufficient to cover the costs of supporting those students.

Guidance for any SEND-specific capital funds should be explicit that colleges should be consulted on how it is spent, and should be within the scope of existing local accountabilities like the Ofsted and Care Quality Commission (CQC) Area SEND inspections of local partnerships. Capital investment should reflect the locations of learners.

Accountabilities

A series of accountabilities need to be put in place to incentivise compliance with the high needs operational guide and the SEND Code of Practice. Our survey responses show that these processes are not always followed. If local authorities exercise powers beyond their formal bounds, this threatens the financial viability of college provision and therefore the inclusiveness of the sector itself.

The Ofsted thematic review of preparation for adulthood showed that Area SEND inspections do represent a significant accountability – inspections result in plans of action that must be followed. The review also shows the limitations of this particular form of accountability with three to five years elapsing between inspections and with preparation for adulthood often forming only a small part of reports.

What form accountabilities should take is open to question, but it is notable that statistics are collected about adherence to timelines for the creation of EHCPs but not for their maintenance. Digitisation of EHCPs could provide an opportunity to collect data on the health of the system in each local area, for example whether local authority staff attend year nine reviews.

A mechanism is needed to reduce the over-use of the duty to admit in cases when local authority decisions are made on the basis of incomplete knowledge of the post-16 provider landscape. A formal appeals process for colleges would forestall the detriment to students of unsuitable enrolments.

Local authority support

There should be greater investment in the local authority SEND workforce. Suggestions for SEND reform, including the last government's SEND and Alternative Provision Improvement Plan, often and justifiably focus on the skills and training of the SEND workforce within education providers, and on the availability of the health workforce to support students. However, the local authority SEND workforce has a crucial role in the system in maintaining EHCPs and carrying out place commissioning. Job roles like EHCP caseworker and the corresponding management roles represent a distinct profession within the system, but a profession without explicit professional standards or qualifications. Our survey responses show that decisions made by this workforce can be deeply consequential for both students and colleges.

The many positive examples of college-authority collaboration show what is possible. The negative examples are reported by colleges to produce consequences including students placed on unsuitable courses, funding that does not cover costs, and resources wasted on miscommunication. A better supported workforce would be likely to reach better decisions and that would benefit tens of thousands of students and all the dedicated college and local authority staff who work so unflaggingly on their behalf.