

Overview of the 2026 SEND Deficits Survey

County Councils Network (CCN), Association of Local Authority Treasurer Societies (ALATS) and Society of County Treasurers (SCT)

13th October 2026

The SEND position at a glance

2026 ALATS survey, 89 respondents – deficits re-accumulate quickly after the Stability Grant

Headline aggregated results for all upper-tier local authorities*

£7.0bn

High Needs Block deficit at March 2026

£6.5bn

Net DSG deficit at March 2026, after
other block surpluses

£6.0bn

High Needs Stability Grant – wipes out
c.90% of net deficits

£0.5bn

Net DSG deficit at March 2026, after
High Needs Stability Grant

£4.8bn

Net deficit back by March 2027, after
the grant

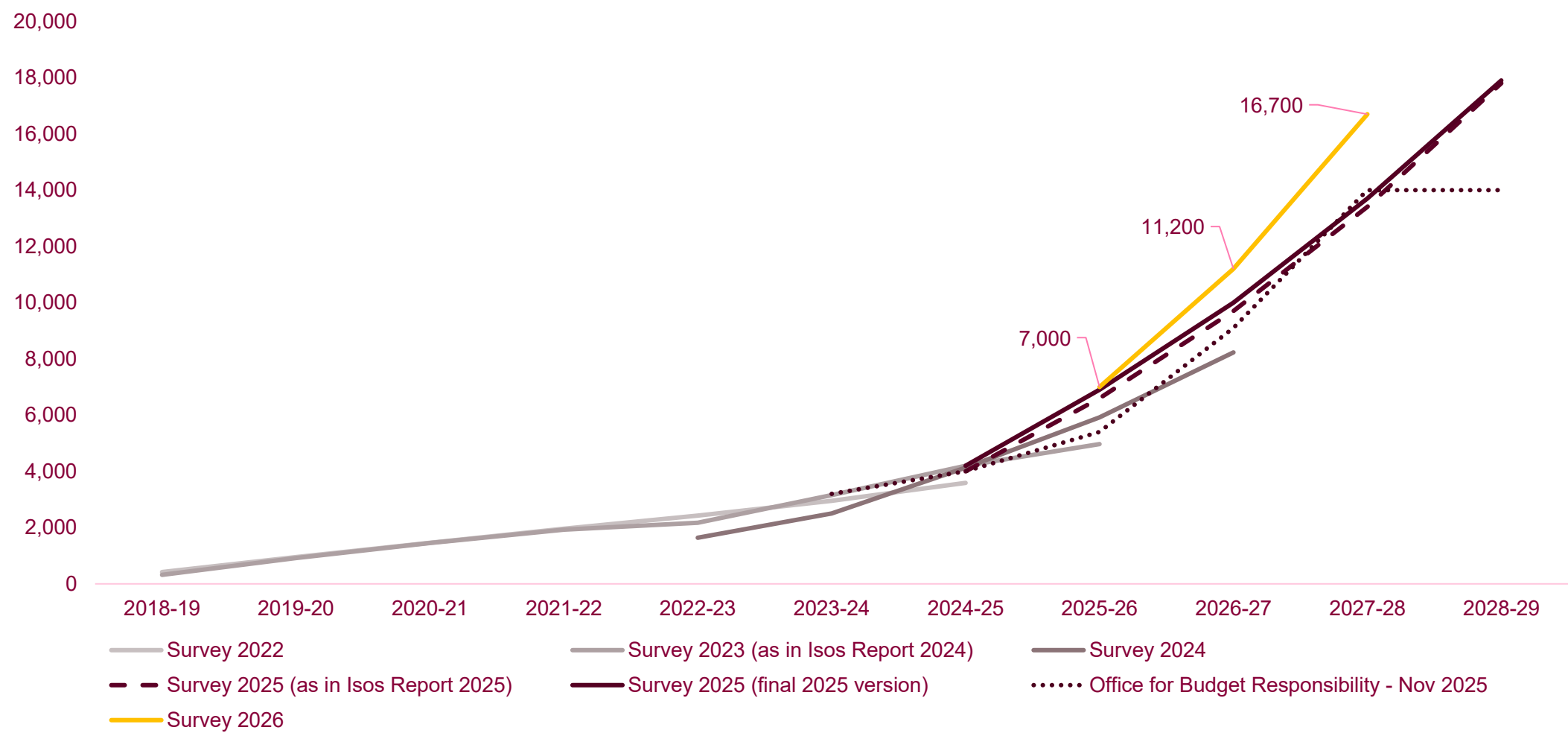
£10.4bn

Net deficit by March 2028, when the
statutory override ends

*89 responses were received from local authorities covering 73% of the EHCPs in England. Respondent aggregates have been multiplied by 1.37 to account for non-respondents (based on EHCPs). Unlike in previous iterations of the survey, headline figures now include the small net surpluses in other DSG blocks (schools, central services and early years).

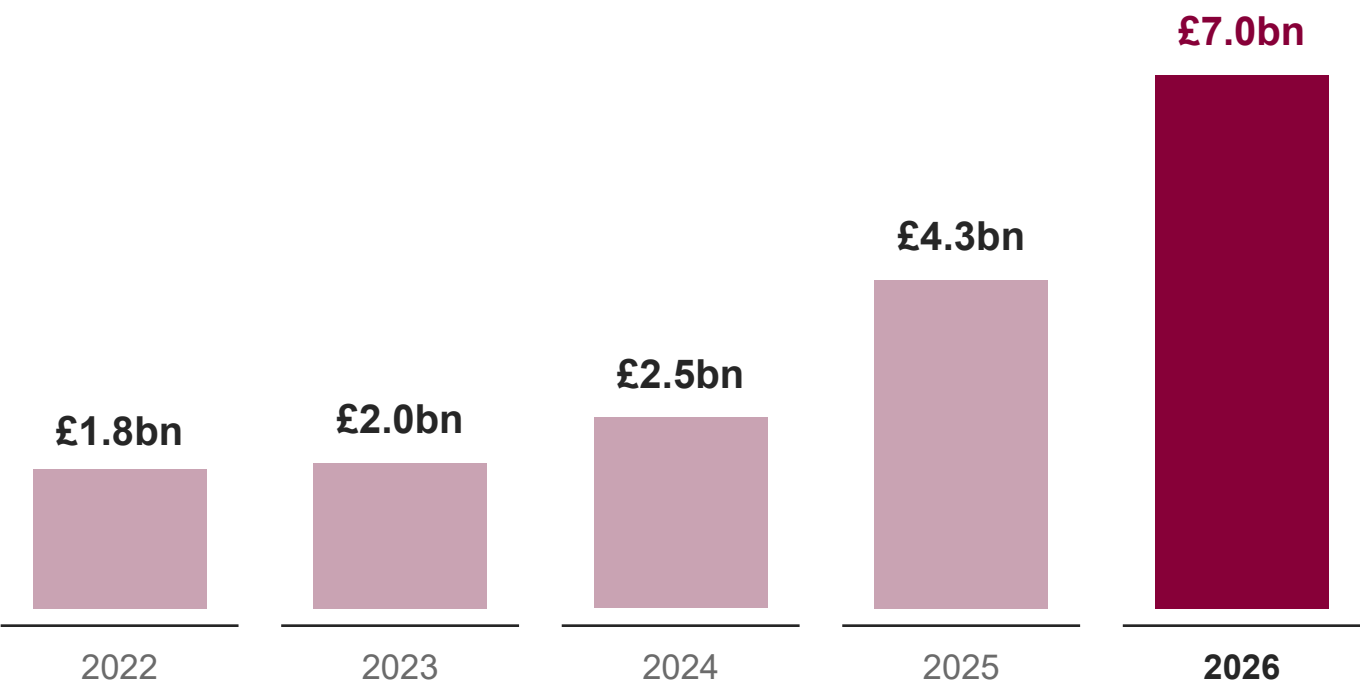
Underlying Cumulative High Needs DSG Deficits

Comparison of ALATS/SCT DSG Surveys



High Needs deficits by survey year

Estimated outturn deficit has more than trebled since 2023



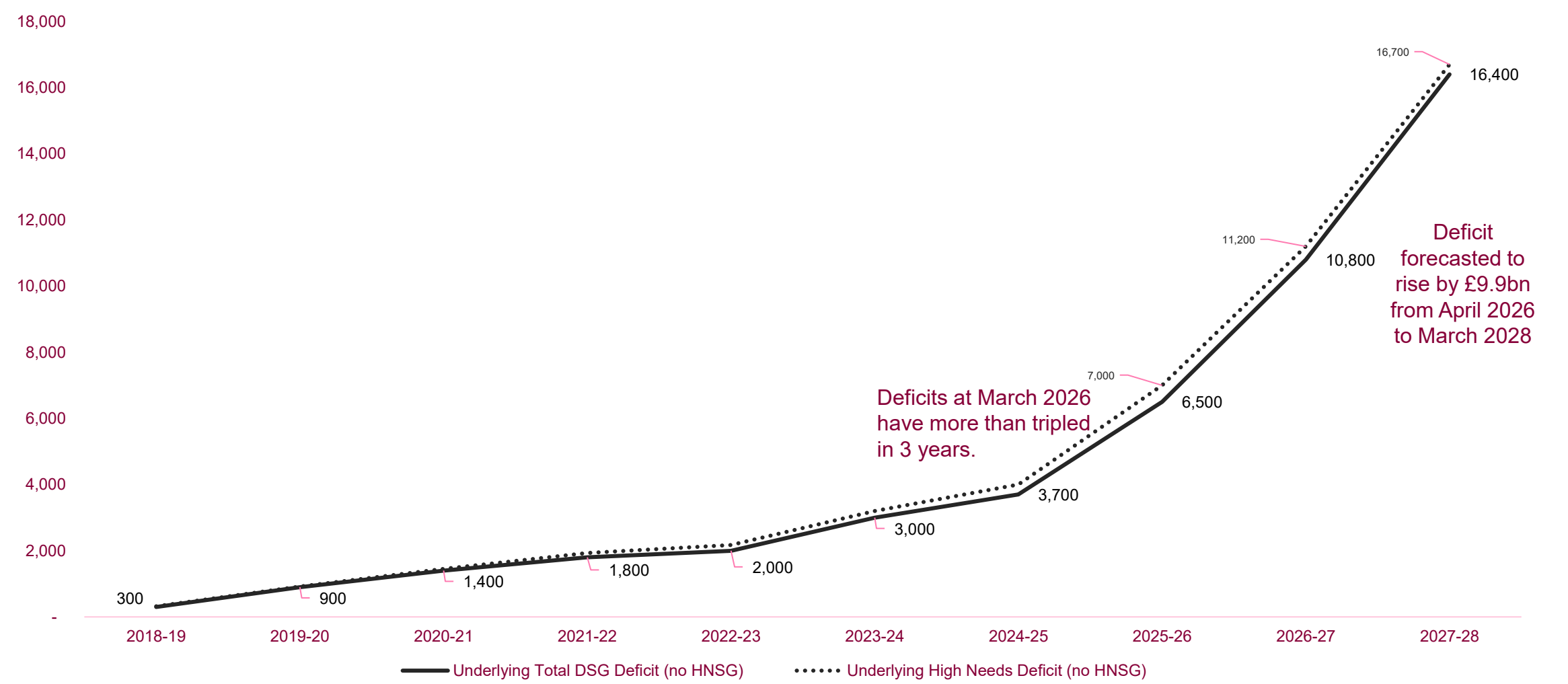
Forecasts keep being overtaken

The 2026 survey projects higher deficits for 2026-27 and 2027-28 than the 2025 survey did.

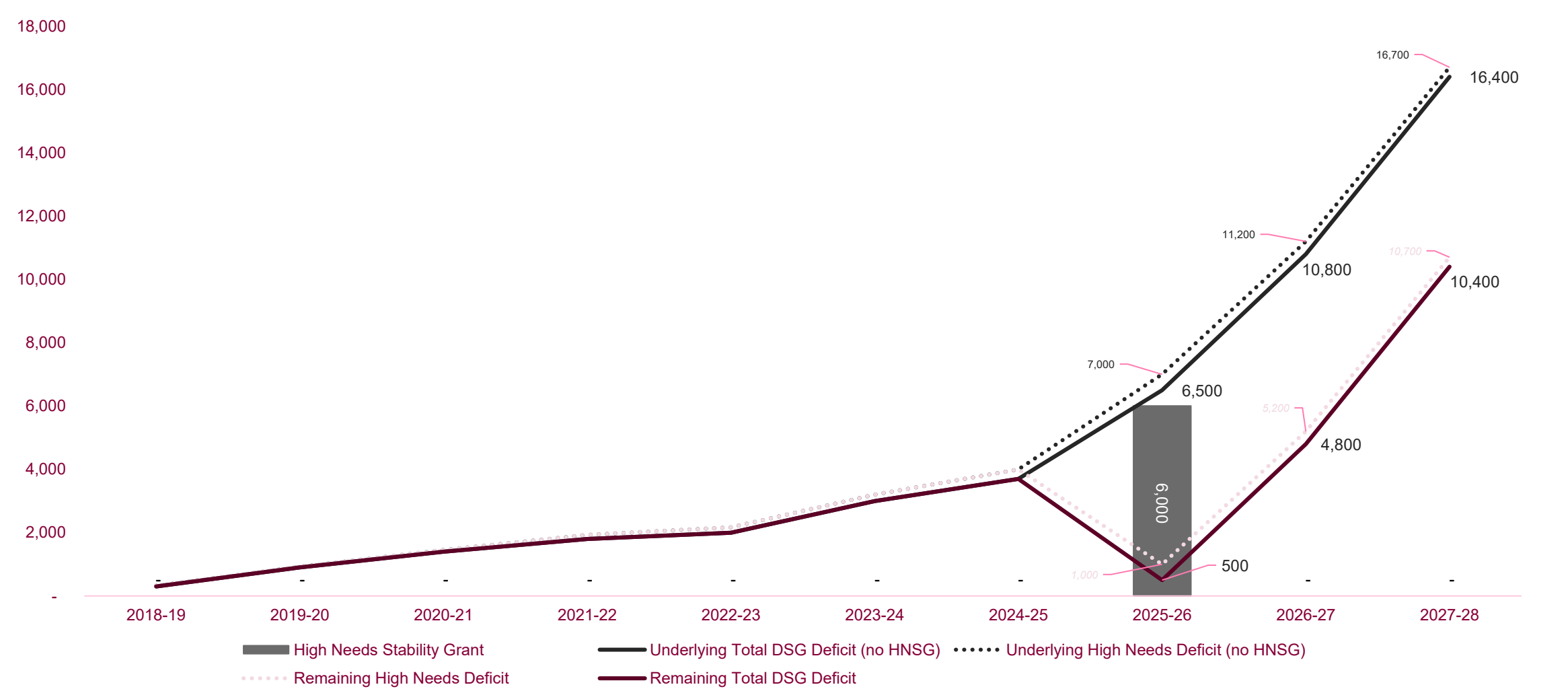
A note on scope

2022 and 2024–26: ALATS. 2023: SCT and London only. Treat the trend as indicative.

SEND deficit forecasts after the Stability Grant



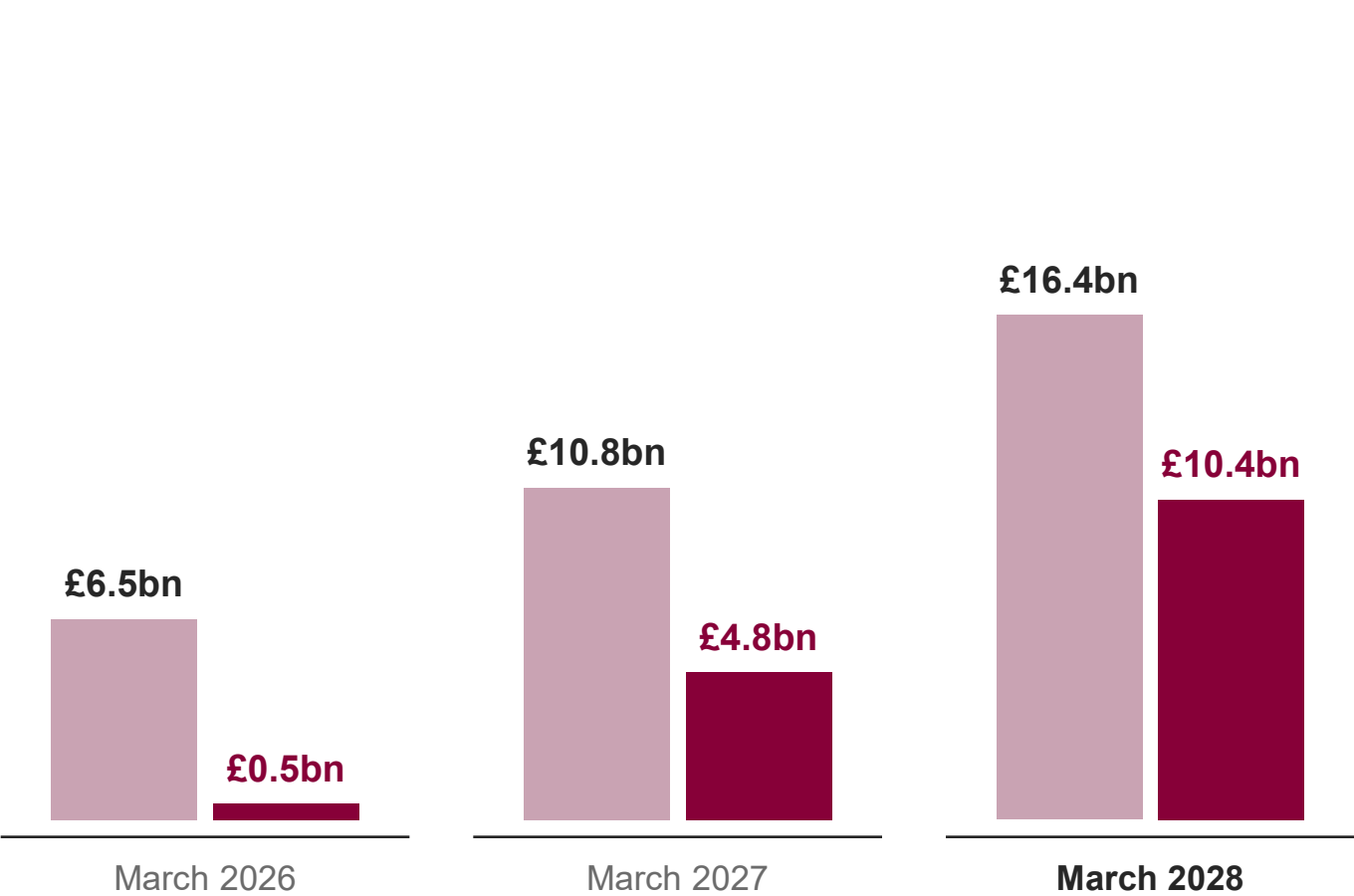
SEND deficit forecasts after the Stability Grant



SEND deficit forecasts after the Stability Grant

The grant buys time, not a solution – net DSG deficits, cumulative at 31 March.

Before HNSG After £6.0bn HNSG



c.£0.5bn

Net deficit at March 2026 once the grant is applied

£10.4bn

By March 2028, as the statutory override ends

c.£1bn

Even a 10% local share of the 2028 deficit

Treasurers concerns over SEND funding and reform

What did treasurers highlight through the survey as the key issues?

- 1 Uncertainty over the Stability Grant post 2026
- 2 Accelerating growth in ECHP demand
- 3 Funding not keeping pace with costs
- 4 Uncertainty how Treasury absorb SEND costs in 2028
- 5 Uncertainty over commitment to SEND reforms
- 6 Need for greater local SEND capacity
- 7 Cashflow and borrowing pressures
- 8 Concerns about residual 10% local contributions
- 9 Remaining risk of Section 114 notices
- 10 Local Government Reorganisation

HNSG needs to be **regular, timely and sufficient**. Certainty is needed on the post-2028 system – reform, sufficient quantum and distribution.

What are the key asks of the government?

A sustainable, long-term solution to SEND deficits – **with further clarity needed from government on funding and reform**



Annual

**Grant payments every year,
paid in April**

This supports cash flow and mitigates the need to borrow as interest rates are high.

**Recommitment to ‘at least 90%’
write-off up to 2028.**



10%

**Even a small local share is a
real risk**

Absorbing 10% of projected 2028 deficits could prove unaffordable for some authorities.

**Details also needed on how
government will absorb spending
from 2028.**



Reform

**SEND reform: recommitment
and delivery**

Critical to tackling the underlying pressures and creating a more sustainable system.