

Managing the Cost of SEND Provision in Schools

Leveraging Leasing for Specialist Equipment and Inclusive Infrastructure

The cost of Special Educational Needs and Disabilities (SEND) provision in England has risen sharply over the past decade, placing sustained pressure on school and local authority budgets. This white paper explores how the strategic use of leasing specialist SEND equipment and infrastructure can provide a capital-efficient, compliant, and scalable solution to support inclusive practice while protecting cash flow.

Executive Summary

National SEND expenditure now exceeds **£10–12 billion annually**, with demand continuing to grow due to increased diagnosis rates and Education, Health and Care Plans (EHCPs). Mainstream schools are expected to meet the first **£6,000 per SEND pupil** from their delegated budgets before additional top-up funding is provided. At the same time, forecasts indicate a multi-billion-pound funding gap (**c. £6bn by 2028**), creating structural financial strain across the system.

The strategic use of leasing specialist SEND equipment and infrastructure—including sensory environments, assistive technologies, and adaptive classroom tools—can provide a capital-efficient, compliant, and scalable solution to support inclusive practice while protecting cash flow.

£10–12bn

Annual national SEND expenditure

£6,000

Per-pupil cost met from delegated school budgets before top-up funding

£6bn

Projected funding gap within the schools budget by 2028

The Financial Context of SEND in England

1.1 Rising Demand and Cost Pressures

SEND spending has increased significantly, accounting for over half of recent growth in school funding. The number of pupils requiring support continues to rise, with system-wide reform underway due to sustainability concerns.

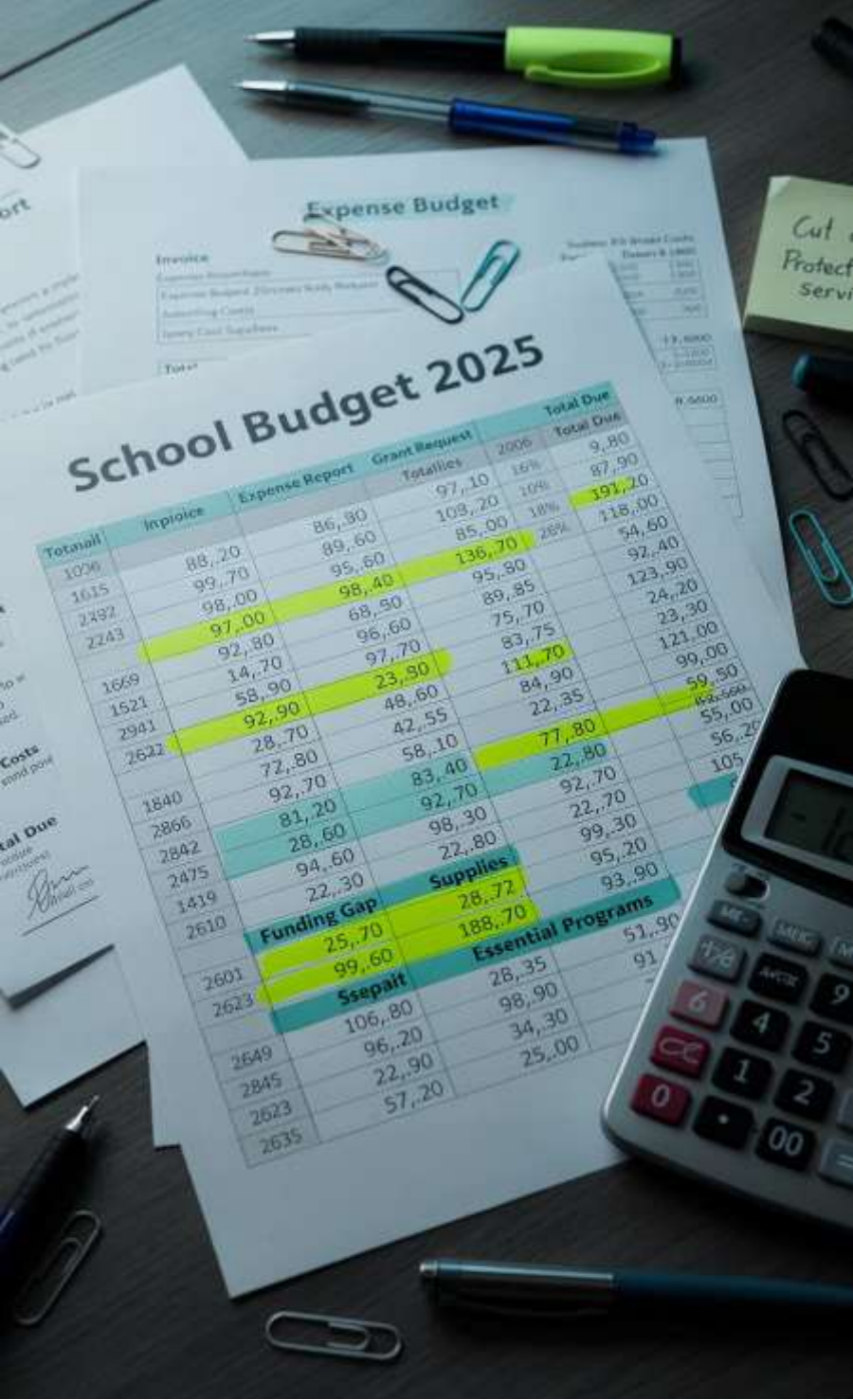
- SEND costs doubling between 2015–2028
- A £6bn funding gap within the schools budget

1.2 Impact on School Budgets

Mainstream funding growth has lagged behind cost increases, particularly due to SEND pressures. Schools must absorb:

- Staffing costs (e.g. teaching assistants, SENCO time)
- Specialist interventions
- Equipment and environmental adaptations

The notional SEN budget is intended to support these costs, but it is often insufficient for complex needs.



Cost Drivers Within SEND Provision

2.1 High-Cost Areas

Key cost components include:



Human Resources

The largest cost driver across all SEND provision in mainstream and specialist settings.



Specialist Placements

Often exceeding **£20k-£60k+ annually** per pupil, placing enormous strain on local authority budgets.



Transport Costs

Have risen significantly, reaching **£2.3bn nationally**, and continue to grow year on year.



Equipment & Infrastructure

Including sensory rooms/pods, assistive technology (AAC devices, specialist software), adaptive furniture and accessibility modifications.

⚠️ 2.2 Capital vs Revenue Pressure: SEND equipment is typically capital-intensive, yet budgets are largely revenue-constrained and capital grants are limited and inconsistent. This creates a mismatch between funding availability and delivery requirements.

The Role of Specialist Equipment in Inclusive Practice

3.1 Educational and Operational Benefits

Investment in SEND equipment supports:

- Reduced reliance on high-cost external placements
- Improved in-school inclusion and attainment
- Lower long-term intervention costs
- Enhanced staff efficiency

Examples include:

- **Sensory pods** → regulation and behaviour support
- **Assistive technology** → access to curriculum
- **Adaptive environments** → reduced exclusions

3.2 Strategic Value

Early and effective investment aligns with government policy direction toward:

Mainstream Inclusion

Keeping pupils within mainstream settings wherever possible.

Early Intervention

Addressing needs before they escalate to costly specialist provision.

Reduced EHCP Dependency

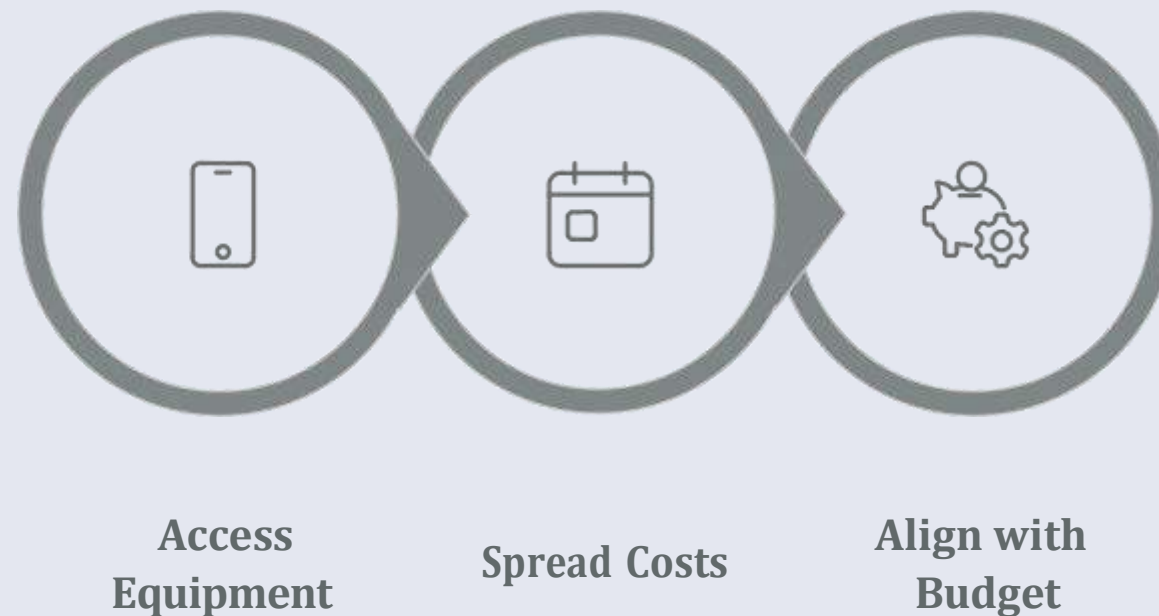
Supporting pupils without requiring formal statutory plans.



Leasing as a Strategic Procurement Tool

4.1 What is Leasing in the School Context?

Leasing allows schools to access equipment without upfront capital expenditure, spread costs over time, and align payments with revenue budgets.



This approach enables schools to align SEND investment with annual budgets and funding cycles while preserving reserves for staffing and core provision.

Budget Management

Aligned with annual budgets and funding cycles.

Cash Flow Protection

Avoids large upfront payments and preserves reserves for staffing and core provision.

Scalability

Easier to expand provision as demand grows; supports phased implementation of SEND strategy.

Risk Mitigation

Technology refresh options, maintenance and support can be included, reduced obsolescence risk.

Accounting Treatment: Updated Standards

Schools and trusts must ensure compliance with the Academy Trust Handbook (for academies), value-for-money assessments, and appropriate approval processes for leasing arrangements.

IFRS 16

Under IFRS 16, most leases are recognised on the balance sheet as:

- ◆ Right-of-use asset
- ◆ Lease liability

This replaces the distinction between operating and finance leases (for lessees). Leasing is no longer "off-balance sheet" for academies. However, benefits remain: cash flow smoothing, budget predictability, and asset access without upfront capital.

FRS 102

Under FRS 102 (updated Section 20):

- Converging toward IFRS 16 principles
- Increasing recognition of lease liabilities
- Greater transparency in financial reporting

DfE Guidance Considerations

Schools and trusts must ensure compliance with the Academy Trust Handbook (for academies), value-for-money assessments, and appropriate approval processes for leasing arrangements.

- ❗ Despite the on-balance-sheet treatment under IFRS 16, the core financial benefits of leasing—cash flow smoothing, budget predictability, and asset access without upfront capital—remain fully intact.

Strategic Use Cases

7.1 Sensory Environments

Leasing enables rapid deployment of sensory rooms/pods/modular buildings, avoidance of large capital bids, and standardisation across MAT estates.

7.2 Assistive Technology

Devices and software can be upgraded over time, avoiding sunk cost in rapidly evolving technology.

7.3 Multi-Academy Trust (MAT) Strategy

MATs can aggregate leasing across schools, achieve economies of scale, and standardise SEND provision.

8. Value-for-Money Considerations

Schools should evaluate impact on outcomes (attendance, attainment, exclusions) and avoided costs (e.g. reduced external placements). Leasing is particularly effective where:

- Equipment has high upfront cost
- Benefits are immediate and measurable
- Technology lifecycle is short to medium term



Risks, Mitigations and Policy Alignment

9. Risks and Mitigations

Risk	Mitigation
Long-term financial commitments	Align lease term with funding certainty
Accounting complexity	Ensure finance team understands IFRS 16 / FRS 102
Procurement compliance	Follow DfE guidance
Over-reliance on leasing	Maintain balanced capital strategy

10. Policy Alignment and Future Outlook

SEND reform direction emphasises inclusion within mainstream settings, early intervention, and financial sustainability.

Leasing aligns with these priorities by:

- Enabling rapid deployment of resources
- Supporting flexible, scalable provision
- Reducing dependency on high-cost specialist placements

Conclusion

SEND provision represents one of the most significant and growing financial pressures within the UK education system. With schools required to meet substantial costs from constrained budgets, innovative financial approaches are essential.

Leasing offers a strategically aligned, financially viable mechanism to:

High-Quality Provision

Deliver high-quality SEND provision without prohibitive upfront capital expenditure.

Inclusion Outcomes

Improve inclusion outcomes for pupils with special educational needs and disabilities.

Financial Sustainability

Maintain financial sustainability within constrained and increasingly pressured school budgets.

When implemented within current accounting frameworks (IFRS 16 / FRS 102) and governance requirements, leasing can serve as a **powerful enabler of inclusive education strategy**.

References

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