

Rebuilding special educational needs and disability services in Birmingham

Policy briefing | Hollie Wright | May 2026

Introduction

Special educational needs and disability (Send) provision in England is in deep crisis. Demand has surged as the number of children with education, health and care plans (EHCPs) in England rose by up to 166% between 2015 and 2025, up 10% in the last year alone, while state-funded support and school places have failed to keep pace.^{1,2} Too many parents must battle for assessments and appropriate school placements, often navigating a chaotic and adversarial system, leading to appeals and tribunals soaring from 3,000 in 2015 to 25,000 in 2025, with 98% of rulings in parents' favour.^{3,4} The House of Commons Public Accounts Committee (PAC) concluded last year that the Send system is “inconsistent, inequitable and not delivering in line with expectations,” undermining families' confidence and letting children fall through the cracks.⁵

Current piecemeal interventions and an unsustainable financial framework are incapable of tackling the structural issues. Across England, there was a £900m jump in annual spending on specialist independent school fees between 2015–16 and 2022–23, while the number of independent Send pupils trebled.⁶ Councils spent £2.5bn on Send in 2025 – more than double

¹ Local Government Association. (2025, January 22). *Westminster Hall Debate: Government support for Education, Health and Care Plans*. <https://www.local.gov.uk/parliament/briefings-and-responses/westminster-hall-debate-government-support-education-health-and>

² Department for Education. (2025). *Education, Health and Care Plans: England*. GOV.UK. <https://explore-education-statistics.service.gov.uk/find-statistics/education-health-and-care-plans/2025>

³ Administrative Justice Council. (2023). *Special educational needs and disability: Improving local authority decision making*. <https://www.judiciary.uk/wp-content/uploads/2024/08/SEND-Improving-Local-Authority-Decision-Making.pdf>

⁴ Ministry of Justice. (2025). *Tribunals Statistics Quarterly: July to September 2025*. GOV.UK. <https://www.gov.uk/government/statistics/tribunals-statistics-quarterly-july-to-september-2025/tribunal-statistics-quarterly-july-to-september-2025>

⁵ Public Accounts Committee. (2025). *Support for children and young people with special educational needs*. <https://committees.parliament.uk/publications/46238/documents/231788/default/>

⁶ Siebeta, L., & Snape, D. (2024). *Spending on special educational needs in England: Something has to change*. Institute for Fiscal Studies. <https://ifs.org.uk/publications/spending-special-educational-needs-england-something-has-change>

the amount spent half a decade earlier.⁷ The fiscal risk is looming, as the statutory override allowing councils to exclude Send spending from their requirement to balance budgets expires in April 2028, while the government has still not set out how it will absorb the continuing Send pressure or deal with the historic deficit that will have built up by then.⁸ With insufficient state school places, councils feel forced to fund costly private placements even “when this may not be the most effective setting”.⁹

This surge in Send recognition and demand without an appropriate response from the government has enabled a vicious cycle of higher costs and growing deficits for many authorities. By March 2023, cumulative high-needs budget overspends across councils in England had reached £1.6bn.¹⁰ A further national funding gap of up to £3.9bn annually is projected by 2027–28 if this trajectory continues.¹¹ Meanwhile, Send-specific emergency bailouts via the Department for Education’s (DfE) “safety valve” offer only short-term relief and cover just 38 areas across the country.¹² Without fundamental reform, nearly half of all local authorities could risk effective bankruptcy when high-needs cumulative deficits hit their books in 2028.¹³

For Send families, the threat is more immediate and damaging. Two in five parents of children with Send have had to give up work entirely to meet their child’s needs, while many more report huge financial and emotional strain from constantly fighting the system.¹⁴ Over 40% of parent-carers nationally have contemplated suicide while caring for a disabled child.¹⁵ The human cost of an overburdened, under-resourced Send system is felt in lost careers, exhausted caregivers (usually mothers), and children missing out on core development, with consequences that can

⁷ Farquharson, C., Ogden, K., Phillips, D., Sibieta, L., & Snape, D. (2025). *The hardest questions for SEND are still to be answered*. Institute for Fiscal Studies. <https://ifs.org.uk/articles/hardest-questions-send-are-still-be-answered>

⁸ Office for Budget Responsibility. (2025). *Economic and Fiscal Outlook: November 2025*. https://obr.uk/docs/dlm_uploads/OBR_Economic_and_fiscal_outlook_November_2025.pdf

⁹ Long, R., & Roberts, N. (2022). *The special educational needs and disabilities and alternative provision green paper*. House of Commons Library Briefing. <https://researchbriefings.files.parliament.uk/documents/CBP-9526/CBP-9526.pdf>

¹⁰ Nye, P. (2024). *SEND spending needs reform to stop local authorities going bust*. Institute for Government. <https://www.instituteforgovernment.org.uk/comment/send-spending-reform-local-authorities>

¹¹ National Audit Office. (2024). *Support for children and young people with special educational needs*. <https://www.nao.org.uk/wp-content/uploads/2024/10/support-for-children-and-young-people-with-special-educational-needs.pdf>

¹² Department for Education. (2025). *Safety valve agreements: Views on operation and impact*. <https://assets.publishing.service.gov.uk/media/686e33312557debd867cbe52/safety-valve-agreements-views-on-operation-and-impact.pdf>

¹³ National Audit Office. (2025). *Local government financial sustainability*. <https://www.nao.org.uk/wp-content/uploads/2025/02/local-government-financial-sustainability.pdf>

¹⁴ Support SEND Kids. (2024). *Fighting for your SEND child: The hidden costs report*. <https://supportsendkids.org/content/resource/515/fighting-for-your-send-child-the-hidden-costs-report?parentId=189>

¹⁵ O'Dwyer, S. (2024). *Suicidal thoughts and behaviors in parents caring for children with disabilities and long-term illnesses*. Archives of Suicide Research, 29, 468–485. <https://www.tandfonline.com/doi/full/10.1080/13811118.2024.2363230?src=exp-la>

follow them through school and into adult life as unmet need is associated with poorer attendance, weaker attainment, and reduced longer-term outcomes.¹⁶

The root of the Send spending problem is structural. Previous reforms to Send introduced in the Children and Families Act 2014 promised choice and better support, but, without matching investment in local provision, they inadvertently funnelled more children into expensive independent schools and out-of-area placements. Private companies – including those backed by private equity and even offshore investors – have stepped into the breach, often charging eye-watering fees for school places.¹⁷ Many private investors are earmarking the system as a business opportunity with strong government subsidy incentives.¹⁸ The Send educational industry as a whole is valued at almost £2.5bn.¹⁹ Meanwhile, new state specialist schools have opened at a glacial pace – of 92 planned special free schools from 2020, only 15 are now "definitely going ahead" as central-government-built projects.²⁰

This briefing examines the Send extraction crisis through the lens of Birmingham city council's experience, with lessons that extend far beyond it. It explains the myopia that is currently preventing long-term, sustainable solutions to the Send education crisis, and examines the role of private finance in further damaging local authority finances. These are grounded in Birmingham's position on places, tribunals, and spend. It elucidates how delays to new provision, and a shift towards "resource bases", have shaped recent decisions, and examines where and why funding is being diverted into independent provision. It closes by testing practical alternatives within reach: expanding maintained special places, growing resource bases in mainstream education, and commissioning from established charities in the city-region, to reduce out-of-area placements and keep more spend local.

¹⁶ House of Commons Education Committee. (2025). *Solving the SEND crisis (Fifth Report of Session 2024–25)*. <https://publications.parliament.uk/pa/cm5901/cmselect/cmeduc/492/report.html>

¹⁷ Ungoed-Thomas, J. (2025, December 13). *Private schools charging councils £250k for each Send pupil*. The Observer. <https://observer.co.uk/news/business/article/private-schools-charging-councils-250k-for-each-send-pupil>

¹⁸ Donaldson, C. (2025). *SEND Schools*. Christie & Co. <https://www.christie.com/news-resources/business-outlook-2025/childcare/send-schools/>

¹⁹ Cavendish, L. (2025). *Independent sector special education market valued at £2.41 billion in England*. LaingBuisson. <https://www.laingbuisson.com/press-releases/independent-sector-special-education-market-valued-at-2-41-billion-in-england-as-continued-growth-in-identified-special-education-needs-drives-pupil-numbers-in-special-schools-to-record-levels/>

²⁰ Booth, S. (2025, May 8). *'Nightmare before Christmas': 46 free school projects scrapped and 59 special schools in limbo*. Schools Week. <https://schoolsweek.co.uk/nightmare-before-christmas-46-free-school-projects-scrapped-and-58-special-schools-in-limbo/>

Key facts

- **£100m+:** Top private Send firms make combined annual profits exceeding £100m.²¹
- **25% profit margins:** While state schools struggle to balance books, the revenues of the biggest three private providers have almost doubled in the past six years.²²
- **50% offshore:** Of councils with the highest Send deficits, 50% of their top 10 private providers are registered in offshore tax havens like Jersey.²³

A profile of Birmingham

As the national Send crisis has deepened, it has hit larger urban authorities like Birmingham especially hard. Birmingham is the largest local authority in England, educating over 200,000 children. It also has one of the youngest populations in the country, with around one in five children receiving Send support or an EHCP.²⁴

Overall demand has grown rapidly, with over 1,000 new EHCPs issued last year alone, nearly double the number in 2017 (Figure 1).²⁵ However, suitable local school places have not kept up with this growth, and Birmingham has struggled for years to provide timely support.

²¹ Liberal Democrats. (2025). *Press release: Lib Dems demand cap on SEND providers profits as top firms rake in £100m.* <https://www.libdems.org.uk/press/release/lib-dems-demand-cap-on-send-providers-profits-as-top-firms-rake-in-pound100m>

²² Foster, P. (2025, January 2). *The booming business of special needs education in England.* Financial Times. <https://www.ft.com/content/fb3dabfc-2ee1-4a76-8082-37fe7d80620c?syn-25a6b1a6=1>

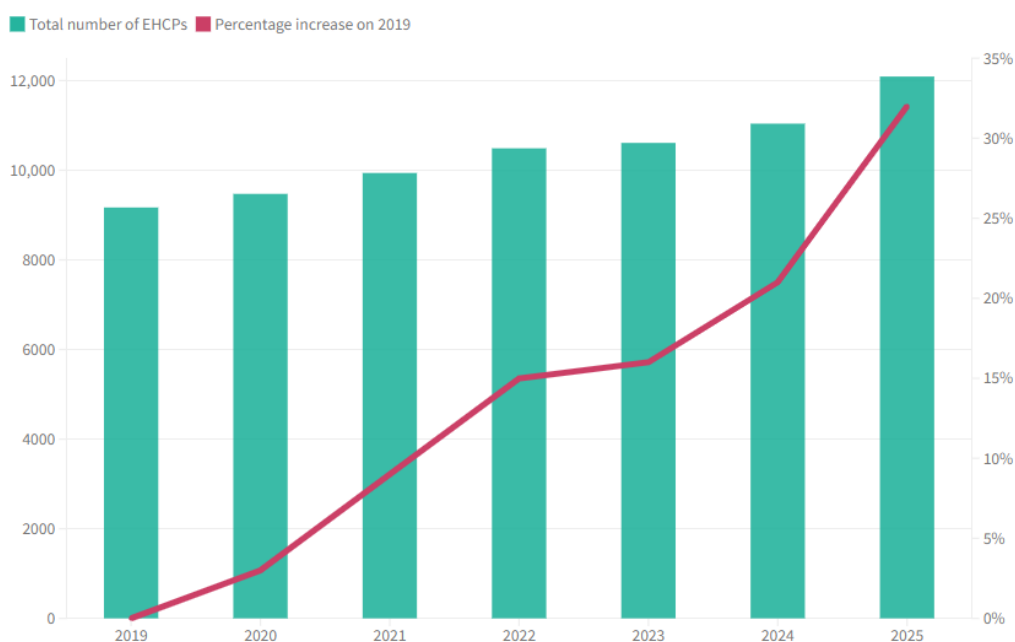
²³ Booth, S. (2023, December 15). *How investors are making millions from the 'bankrupt' SEND system.* Schools Week. <https://schoolsweek.co.uk/how-investors-are-making-millions-from-the-bankrupt-send-system/>

²⁴ Birmingham City Observatory. (2025) *Birmingham SEND Briefing Book.* <https://cityobservatory.birmingham.gov.uk/pages/birmingham-send-briefing-book/>

²⁵ Department for Education. (2025). *Statistical release: Education, health and care plans.* <https://explore-education-statistics.service.gov.uk/find-statistics/education-health-and-care-plans/2025>

Figure 1: EHCPs in Birmingham have increased by over 30% in five year

Number of EHCPs in Birmingham and the percentage increase in EHCPs from 2019, 2020-25



Source: Department for Education²⁶

The council's own Send Sufficiency Strategy forecasts a shortfall of 1,133 special school places by 2030 if current trends continue.²⁷ The biggest gaps are for autism (ASC: autism spectrum condition) and speech, language, and communication needs, which together account for over three-quarters of the unmet demand.²⁸ Mainstream schools with resource-base units – specialised units within mainstream schools designed as a middle-ground with lower staff-to-pupil ratios and sensory support while remaining on a mainstream register – also face a projected shortfall of around 456 places by 2030.²⁹ Meanwhile, the number of tribunals brought against the city council on Send decisions rose from 291 in 2020, to 525 in 2022, only 3.7% of

²⁶ Department for Education. (2025). *Number of education, health (EHC) plans as at January each year*. GOV.UK. <https://explore-education-statistics.service.gov.uk/data-catalogue/data-set/897aaeb-39b2-4913-8739-d0773d99f674>

²⁷ Local Offer Birmingham. (2024). *Birmingham SEND Sufficiency Strategy 2024-2030*. <https://www.localofferbirmingham.co.uk/wp-content/uploads/2024/10/Birmingham-SEND-Sufficiency-Strategy-2024-2030.pdf>

²⁸ Local Offer Birmingham. (2024). *Birmingham SEND Sufficiency Strategy 2024-2030*. <https://www.localofferbirmingham.co.uk/wp-content/uploads/2024/10/Birmingham-SEND-Sufficiency-Strategy-2024-2030.pdf>

²⁹ Local Offer Birmingham. (2024). *Birmingham SEND Sufficiency Strategy 2024-2030*. <https://www.localofferbirmingham.co.uk/wp-content/uploads/2024/10/Birmingham-SEND-Sufficiency-Strategy-2024-2030.pdf>

which were found in the council's favour.³⁰ The council is estimated to have spent over £10m fighting Send appeals between 2014 and 2021.³¹

Financial instability

Much of Birmingham's capacity turmoil comes down to its financial constraints and difficulties. In 2023, the government forced Birmingham into de facto bankruptcy, citing an unrelated £760m equal pay liability as the reason, severely limiting new spending.³² Since then, financial expert analysis has determined that the authority was likely never bankrupt.³³ This decision has led to cost-cutting measures that have impacted Send services.

The council's broader finances have since cast a long shadow and constrained appetite for long-term investment. Birmingham's ring-fenced dedicated schools grant (DSG) high needs block (which funds Send) had, unusually, a surplus going into 2024 – about £37.9m in reserve, due to underspending in 2023.³⁴ However, an underspend in Birmingham's case is *not* a sign of abundance, but rather of unmet need. For example, Birmingham curtailed free home-to-school transport for non-compulsory ages as part of its cost-cutting processes, leaving families scrambling to cover transport for their disabled children, with some spending hundreds a month in fuel.^{35,36}

Birmingham's own strategy acknowledges that both special-school and resource-base capacity are under strain, while the Send commissioner warned in 2022 that the city's schools top-up fund stood at just £7.3m, when it should have been "closer to £20 million" for an authority of its size.³⁷ In that context, weak support in mainstream does not remove pressure from the system so

³⁰ Murray, J. (2024). *'Fobbed off and rejected': Send crisis takes toll on families in Birmingham*. The Guardian. <https://www.theguardian.com/uk-news/2024/dec/22/send-crisis-takes-toll-families-birmingham>

³¹ Murray, J. (2024, December 22). *'Fobbed off and rejected': Send crisis takes toll on families in Birmingham*. The Guardian. <https://www.theguardian.com/uk-news/2024/dec/22/send-crisis-takes-toll-families-birmingham>

³² Birmingham City Council. (2025). *Commissioners' statement on section 114 declaration*. https://www.birmingham.gov.uk/news/article/1664/commissioners_statement_on_section_114_declaration

³³ Holl-Allen, G. (2025, October 31). Labour-run Birmingham council 'was probably never bankrupt'. The Telegraph. <https://www.telegraph.co.uk/politics/2025/10/31/birmingham-council-probably-never-bankrupt-analysis-experts/>

³⁴ Ellis, H. (2025, March 3). *SEND and Inclusion Update - 3 March 2025*. Birmingham City Council Blog. <https://www.birmingham.gov.uk/blog/SENDinclusion/post/1556/send-and-inclusion-update-3-march-2025>

³⁵ Bovill, J. (2024, September 10). *Anger over pupil transport cuts*. BBC News. <https://www.bbc.co.uk/news/articles/cdxl80q1v00o>

³⁶ Murray, J. (2024, December 22). *'Fobbed off and rejected': Send crisis takes toll on families in Birmingham*. The Guardian. <https://www.theguardian.com/uk-news/2024/dec/22/send-crisis-takes-toll-families-birmingham>

³⁷ Local Offer Birmingham. (2024). *Birmingham SEND Sufficiency Strategy 2024-2030*. <https://www.localofferbirmingham.co.uk/wp-content/uploads/2024/10/Birmingham-SEND-Sufficiency-Strategy-2024-2030.pdf>

much as displace it, pushing more children towards expensive independent placements when local schools cannot meet need.

The council's high-needs top-up funding for mainstream schools is around half of what comparably sized authorities provide, and the limited finances are often spilling into ever-ballooning private sector provision.³⁸

Self-imposed spending constraints are linked directly to a national ticking clock, as the accounting mechanism allowing DSG deficits to sit off council balance sheets expires in March 2028. After that, any overspend would hit Birmingham's already embattled general fund. If the DSG override ends without a solution, numerous councils could be pushed into insolvency.³⁹

Capacity and scope

Operational capacity is another constraint. In 2021, after successive critical inspections, Birmingham became the first council ever to have a DfE-appointed Send commissioner sent in to oversee improvements.⁴⁰ Send casework services were found to be in disarray. After a 2020 reorganisation of the Send assessment team (SENAR), no clear ownership of cases existed for 18 months, leading to a backlog of over "500–600 children per worker", over ten times the recommended best practice.⁴¹

The commissioner's arrival, on a contract costing the council over £1,200 per day, was intended to drive rapid improvements.⁴² Emergency measures were taken in 2022 to hire more staff and triage cases, cutting the average caseload to around 150 per worker. While an improvement, this is still significantly above sustainable levels and indicates how under-resourced the service was previously. The DfE commissioner's report described Birmingham's predicament as "dire", with fragmented leadership, a failing IT system, and trust between parents, schools, and the authority severely eroded.⁴³

³⁸ New Economics Foundation. (2025). *Written evidence submitted by New Economics Foundation*.

<https://committees.parliament.uk/writtenevidence/137075/pdf>

³⁹ Oliver, T. (2025). *SEND deficits: Government avoids 'financial cliff edge' for councils but a comprehensive solution is now critical*. County Councils Network. <https://www.countycouncilsnetwork.org.uk/send-deficits-government-avoids-financial-cliff-edge-for-councils-but-a-comprehensive-solution-is-now-critical/>

⁴⁰ Department for Education. (2021). *Decision: Direction issued to Birmingham City Council (October 2021)*.

<https://www.gov.uk/government/publications/direction-issued-to-birmingham-city-council-october-2021>

⁴¹ Coughlan, J. (2022). *Improving special educational needs and disability (SEND) services in Birmingham: First report to the Secretary of State for Education by John Coughlan CBE, Commissioner for SEND Services in Birmingham*. GOV.UK.

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/107672/5/Final_Improving_Special_Educational_Needs_and_Disability_SEND_Services_in_Birmingham.pdf

⁴² Birmingham City Council (2025). *Intervention and commissioners*.

https://www.birmingham.gov.uk/info/50306/commissioners_intervention_and_improvement/2768/intervention_and_commissioners/5

⁴³ Coughlan, J. (2022). *Improving special educational needs and disability (SEND) services in Birmingham: First report to the Secretary of State for Education by John Coughlan CBE, Commissioner for SEND Services in Birmingham*.

One priority was Birmingham's Send Information, Advice and Support Service (SENDIASS) – a support line for parents navigating Send processes. An independent review in 2022 found Birmingham's SENDIASS was 85% non-compliant with minimum standards, a “devastating critique” of a service that had been a lifeline for many families. In response, the council moved to restructure and slim down SENDIASS. This was seen as controversial, given it had been helping parents win appeals.⁴⁴ The review itself has come under scrutiny after it was alleged only one parent was interviewed and that SENDIASS staff were not given the right to reply.⁴⁵

This is part of a wider issue with identifying goals and sticking to them in the long term to build public trust. Birmingham was part of the DfE's "Delivering Better Value in Send" (DBV) programme, receiving £1m to diagnose systemic issues. However, this did not provide the resources needed to clear the accumulating deficit.

In July 2023, the DfE invited Birmingham to negotiate a safety valve agreement, a bailout in exchange for radical cuts and managing demand. By December 2024, however, these negotiations were effectively abandoned, as the DfE confirmed it would no longer enter new safety valve agreements for councils in extreme financial deficit. While the council successfully added 774 places between 2017 and 2023, the delivery of the remaining 1,043 planned places hit a roadblock. The primary driver of the previously promised plan, two new DfE free schools intended to provide 520 places for autism and social, emotional and mental health (SEMH) needs, was stalled by the December 2025 national policy reset.⁴⁶ These projects were moved to a "local choice" category, leaving a financially constrained council to choose between waiting for a delayed national building programme or cashing out to fund smaller, local expansions, as well as delaying overall delivery.

As a result, the focus has shifted from large-scale infrastructure to the creation of resource bases, specialist units attached to mainstream schools. While progress continues on specific projects like the Hamilton School rebuild, the council has prioritised these bases to address the 456-place gap in mainstream settings, viewing them as a faster, more cost-effective alternative to standalone schools.⁴⁷

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/107672/5/Final_Improving_Special_Educational_Needs_and_Disability__SEND__Services_in_Birmingham.pdf

⁴⁴ Keer, M. (2023). *Serially flawed, frequently unlawful: DfE-ordered SEND "Rapid Improvements" still barely visible in England's biggest council*. Special Needs Jungle. <https://www.specialneedsjungle.com/flawed-unlawful-dfe-send-improvements-barely-visible-birmingham/>

⁴⁵ Keer, M. (2023). *Serially flawed, frequently unlawful: DfE-ordered SEND "Rapid Improvements" still barely visible in England's biggest council*. Special Needs Jungle. <https://www.specialneedsjungle.com/flawed-unlawful-dfe-send-improvements-barely-visible-birmingham/>

⁴⁶ Booth, S. (2025, May 8). *'Nightmare before Christmas': 46 free school projects scrapped and 59 special schools in limbo*. Schools Week. <https://schoolsweek.co.uk/nightmare-before-christmas-46-free-school-projects-scrapped-and-58-special-schools-in-limbo/>

⁴⁷ Brock, A. (2025, July 7). *Plans for new Birmingham school move forward despite concern over soaring costs*. Birmingham Live. <https://www.birminghammail.co.uk/news/midlands-news/plans-new-birmingham-school-move-32011252>

However, the shift towards resource bases has proven contentious. They can bring additional local capacity on stream relatively quickly, but they are not appropriate for every child.⁴⁸ For some, particularly those with more complex sensory needs, a large mainstream site can itself become a barrier to attendance and learning, and mainstream settings do not always have the depth of specialist staffing available in dedicated special schools.⁴⁹

Provision and extraction

Birmingham's current Send provision is a microcosm of a national story. Years of underprovision have led to increasing reliance on independent special schools, which are significantly more expensive on a per-pupil basis and vary in quality. In England, the average place at an independent special school costs about £56,700 per year, over double the ~£23,200 per year for a state special school place.⁵⁰ In Birmingham's own maintained special schools, typical funding per pupil (including all "top-up" support) ranges from roughly £20k to £30k, depending on need. By contrast, independent specialist providers serving Birmingham charge up to £100,000+ per pupil, per year.

As a result, if a child could be educated in a Birmingham special school for £25k, but due to lack of space, the council must fund a private placement at £75k, that is an extra £50,000 spent on one child's provision. Multiply this by hundreds of cases, and the budget impact is enormous. Birmingham's spend on independent special school fees has ballooned. The number of children in private specialist placements funded by the city rose by an estimated 57% since 2015–16 – above the 52% national increase (Figure 2). As of 2023, Birmingham was spending around £40–50m a year on independent school fees, consuming a large chunk of its high-needs budget.

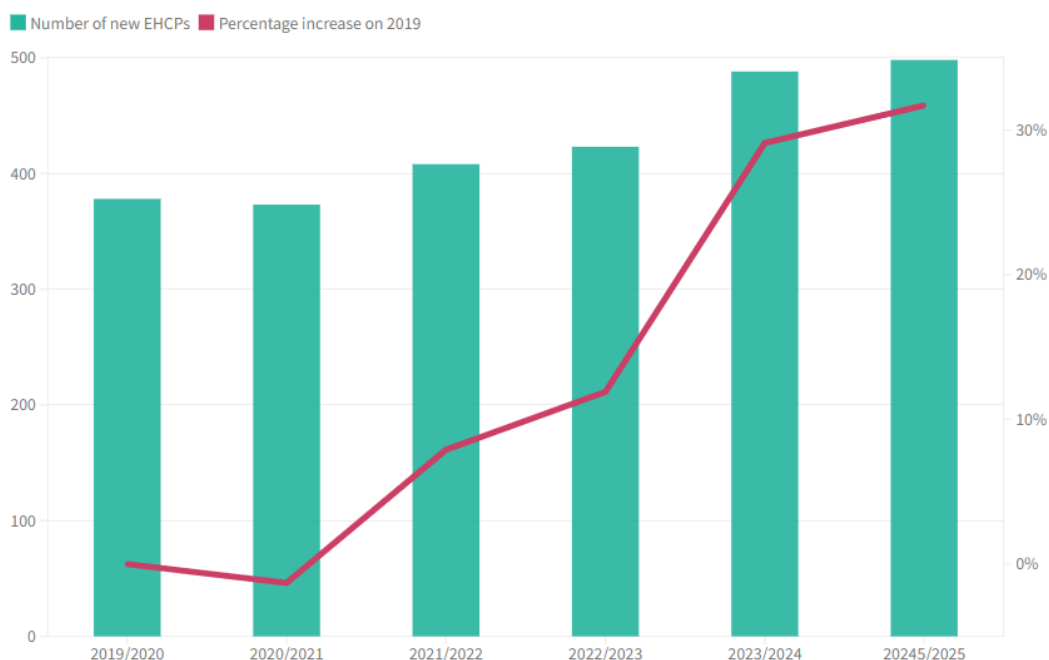
⁴⁸ Tang, S., & Walker, M. (2026). *Can inclusion bases provide part of the solution to the SEND crisis?* National Foundation for Educational Research. <https://www.nfer.ac.uk/blogs/can-inclusion-bases-provide-part-of-the-solution-to-the-send-crisis/>

⁴⁹ Antalek, C., Dixon, F., Hayton, J., & Kamenopoulou, L. (2025). *Identifying and supporting children and young people with sensory and/or physical needs: a rapid evidence review*. Department for Education. https://assets.publishing.service.gov.uk/media/68d66b09275fc9339a248d4b/Identifying_and_supporting_children_and_young_people_with_sensory_and_or_physical_needs_a_rapid_evidence_review.pdf

⁵⁰ Booth, S. (2023, December 15). *How investors are making millions from the "bankrupt" SEND system*. Schools Week. <https://schoolsweek.co.uk/how-investors-are-making-millions-from-the-bankrupt-send-system/>

Figure 2: The number of children in independent special schools has increased by nearly a third since 2019.

Number of children in local-authority-funded independent special school places and percentage increase on 2019, 2020–2025



Source: Department for Education, academic year 2024/25⁵¹

Not only are these placements pricey, but private providers have been raising fees at a rapid clip. In Birmingham, some independent schools have hiked their prices dramatically in recent years. Meanwhile, Birmingham paid over £4.5m over three years to a single independent provider with no written contract.⁵²

These increases far outstrip general inflation and reflect a seller's market where desperate councils have little choice but to pay what providers demand. The appeal of reliable income and business roll-ups – buying smaller, family-run schools and grouping them under a single corporate brand – has brought significant international capital into the field, mirroring trends seen in the childcare and veterinary sectors.⁵³ This includes the Keys Group, which runs New

⁵¹ Department for Education. (2025). *Special education needs in England*. GOV.UK. <https://explore-education-statistics.service.gov.uk/find-statistics/special-educational-needs-in-england/2024-25>

⁵² Price, O. (2023, September 30). *Bankrupt Birmingham Council spent £4.5million on mostly online tuition*. Daily Mail. <https://www.dailymail.com/news/uk-politics/article-12541297/Bankrupt-Birmingham-Council-spent-4-5million-online-tuition-unsupervised-home-study-expelled-children-30-000-pupil-annual-bill-nearly-twice-one-citys-expensive-private-schools.html>

⁵³ Ungood-Thomas, J. (2025, December 13). *Private schools charging councils £250k for each SEND pupil*. The Observer. <https://observer.co.uk/news/business/article/private-schools-charging-councils-250k-for-each-send-pupil>

Ways School in Birmingham; it had profit margins of over 30% in 2020, primarily from Send schools and care services.^{54,55}

Nationally, the total Send market is valued at nearly £2.5bn; £1,7bn of which is for-profit provision.⁵⁶ Three of the largest Send provider groups are backed by private equity or sovereign wealth funds. The Witherslack Group, backed by the Abu-Dhabi-based Mubdala Capital, and a major player with 35 UK special schools, is a prime example.⁵⁷

Arc Oakbridge School, part of the Kedleston Group, whose shareholders, Kyanite Holdings Ltd are registered in Jersey, a tax haven, charged £55,000 per pupil when it opened in 2019, and now charges £72,721, a one-third increase.⁵⁸

New Ways School, backed by G Square Capital, charged £38,805 upon opening in 2019, and now charges up to £103,350 per pupil according to its latest Ofsted report. This is an increase of 166%. G Square Capital owns around \$4bn in assets.⁵⁹

New Perspectives School, part of Care Perspectives Ltd, which opened in late 2023, charges up to £110,000 per pupil.⁶⁰ That is over twice the price of one year at Eton College.

Their interest is unsurprising given the high profit incentive. Many independent Send schools owned by venture capital investors make millions in profit from council contracts. Analysis for the Local Government Association found four large private children's service companies (many operating special schools) made £184m in profit in one year.⁶¹ This may even be an understatement, as Outcomes First, the UK's biggest provider of independent Send schools,

⁵⁴ Pamben, D. (2022). *Keys Group posts growing turnover and EBITDA*. LaingBuisson.

<https://www.laingbuissonnews.com/care-markets-content/keys-group-posts-growing-turnover-and-ebitda/>

⁵⁵ Baker, S. (2022). *How big profits are made in children's social care*. Byline Times.

<https://bylinetimes.com/2022/08/08/how-big-profits-are-made-in-childrens-social-care/>

⁵⁶ Cavendish, L. (2025). *Independent sector special education market valued at £2.41 billion in England*.

LaingBuisson. <https://www.laingbuisson.com/press-releases/independent-sector-special-education-market-valued-at-2-41-billion-in-england-as-continued-growth-in-identified-special-education-needs-drives-pupil-numbers-in-special-schools-to-record-levels/>

⁵⁷ Ungoed-Thomas, J. (2025, December 13). *Private schools charging councils £250k for each Send pupil*. The Observer. <https://observer.co.uk/news/business/article/private-schools-charging-councils-250k-for-each-send-pupil>

⁵⁸ Ofsted (2019; 2025). *School report: Ark Oakbridge School*. <https://files.ofsted.gov.uk/v1/file/50289051>

⁵⁹ Levingston, I. (2024, August 26). *Venture group G Squared raises \$1bn to invest in discounted start-up shares*. Financial Times. <https://www.ft.com/content/b7bac796-c194-442a-95c8-204425435309?syn-25a6b1a6=1>

⁶⁰ Ofsted. (2024). *School report: Inspection of New Perspectives School*.

<https://files.ofsted.gov.uk/v1/file/50266637>

⁶¹ Booth, S. (2023, December 15). *How investors are making millions from the 'bankrupt' SEND system*.

Schools Week. <https://schoolsweek.co.uk/how-investors-are-making-millions-from-the-bankrupt-send-system/>

which is majority owned by private equity investor The Rise Fund, recently reported revenues of £264m.⁶²

The speculative independent sector has targeted a gap in the market left by chronic state underfunding. Nearly 100 new independent special schools opened in 2024 alone, with the number of schools nearly doubling in the last five years.⁶³ For context, only 108 state-funded special schools have opened in the last decade and a half.⁶⁴ While 10 years ago special education was almost entirely a local government function, roughly 17% of all special school pupils are now in independent settings, with the majority of new schools owned by a small number of large providers backed by private equity firms.⁶⁵

Table 1: Features of extraction demonstrated by private Send providers

Feature	Why it matters for Birmingham
Private-equity (PE) ownership of key providers	PE-backed groups are structured to deliver returns to investors, which can create pressure to reduce costs – including staffing ratios and pay – and to increase fees, regardless of educational outcomes. They are also vulnerable to refinancing risk, ownership changes, and market exit in ways that maintained or charitable providers are not. Public services dependent on providers with leveraged balance sheets and short investment horizons carry a stability risk that is difficult to manage through commissioning alone.
High fees and rising uplifts	Independent providers can secure above-inflation fee increases year-on-year because the alternative – a child without a placement – is not legally or politically viable. This structural dependency, rather than any change in the cost or quality of provision, is therefore the primary driver of fee inflation. This creates direct pressure on the High Needs budget without a systematic quality advantage. ⁶⁶

⁶² Wood, P. (2025, July 23). *Bono link needs schools facing government crackdown*. The Telegraph. <https://www.telegraph.co.uk/news/2025/07/23/bono-linked-special-needs-schools-government-crackdown/>

⁶³ Cavendish, L. (2025). *Independent sector special education market valued at £2.41 billion in England*. LaingBuisson. <https://www.laingbuisson.com/press-releases/independent-sector-special-education-market-valued-at-2-41-billion-in-england-as-continued-growth-in-identified-special-education-needs-drives-pupil-numbers-in-special-schools-to-record-levels/>

⁶⁴ Ames, E. (2024). *Government announces 16 new special free schools*. LocalGov. <https://www.localgov.co.uk/Government-announces-16-new-special-free-schools/60344>

⁶⁵ Tang, S., Julius, J., Walker, M., & Classick, R. (2025). *High-SEND schools: Understanding the uneven distribution of pupils with SEND across England's mainstream schools*. National Foundation for Educational Research. https://www.nfer.ac.uk/media/ycrbfrjw/high_send_schools_understanding_the_uneven_distribution_of_send_pupils_across_englands_mainstream_schools.pdf

⁶⁶ Booth, S. (2023, December 15). *How investors are making millions from the 'bankrupt' SEND system*. Schools Week. <https://schoolsweek.co.uk/how-investors-are-making-millions-from-the-bankrupt-send-system/>

Spread profits across different extractive sectors	Several large groups operate across special education, children's residential care, and adult supported living, all sectors where local authorities are similarly constrained buyers. Consolidation across these services concentrates market power and makes it harder for commissioners to benchmark value or switch provider. ⁶⁷
Opaque group charges/related parties	Complex group structures, including offshore holding companies and intercompany management fees, can make it difficult for commissioners to assess the true cost and margin of a placement. This limits the ability to apply meaningful value-for-money tests or to negotiate on an informed basis. ⁶⁸

Exploiting this market gap has allowed executive pay and shareholder returns to soar. The private firm Aspris, which runs 34 special schools as well as a care home in Birmingham, is owned by a Dutch equity fund, which paid its director £1.1m in 2022, while raking in over £30m from cash-strapped councils.⁶⁹ These profits are, in effect, funded by the public purse and represent money that Birmingham could otherwise reinvest in its own services.

Councils are willing to pay so much because they have no other choice. Firms market themselves as quick and “agile”, able to open new provision faster than government processes allow for new state schools.⁷⁰ The outputs of specialist business advisers Christie & Co’s, suggest this “agility” is inseparable from a property market geared towards private expansion. Last year, they reported “significant demand from private sector buyers for suitable properties for expansion”, especially “vacant former school sites”, but also former hotels, care homes, and community assets.⁷¹ In practice, that means the same estate that councils might look to use for maintained provision is also being treated as an acquisition opportunity by private operators and investors, adding another barrier to public capacity building.

⁶⁷ Foster, P. (2025, January 2). *The booming business of special needs education in England*. Financial Times. <https://www.ft.com/content/fb3dabfc-2ee1-4a76-8082-37fe7d80620c?syn-25a6b1a6=1>

⁶⁸ Furneaux, R. (2025, February 17). Private special schools charging £100k fees failed standards checks. Schools Week. <https://schoolsweek.co.uk/private-special-schools-charging-councils-100k-fees-failed-standards-checks/>

⁶⁹ Booth, S. (2023, December 15). *How investors are making millions from the 'bankrupt' SEND system*. Schools Week. <https://schoolsweek.co.uk/how-investors-are-making-millions-from-the-bankrupt-send-system/>

⁷⁰ National Association of Special Schools. (2024). *Working stronger together: exploring the current and possible future relationship between the state and Independent Special Schools*. <https://www.nassschools.org.uk/wp-content/uploads/2024/01/WST-2024-Full-report.pdf>

⁷¹ Christie & Co. (2025). *Appetite for SEND properties remains robust as demand for services spikes, says Christie & Co annual report*. <https://www.christie.com/news-resources/press-releases/business-outlook-2025-send-schools-release/>

Indeed, private operators have stepped in where the DfE turned down councils' bids for new special schools.⁷² Despite ballooning costs in Birmingham, the council's strategy explicitly notes it will "explore... commissioning [more] independent provision within the city" to meet gaps, furthering the short-term approach to provision.⁷³ The risk invites in more high-cost providers, while every £1 diverted to an overpriced placement is £1 not spent on improving a local school or early intervention service.

Quality and experience

There is no evidence that paying double or triple for independent placements yields better outcomes for children. In fact, the opposite appears true for school quality indicators. As of late 2023, 89% of state-funded special schools in England were rated "good" or "outstanding" by Ofsted, compared to 81% of independent special schools.⁷⁴ Many of the advantages of mainstream private education over maintained schools, like smaller class sizes, do not apply to special education, as maintained special schools have an average of 6.6 students per teacher.⁷⁵ Many private schools do offer highly specialised support for complex needs, and some families are very satisfied with them. But many children placed privately are not there for lack of such expertise in the state sector; they are there due to lack of space.

Paying double does not guarantee a better result for a child if an equivalent quality education could have been provided locally. For example, Birmingham spent over £4m on one private provider, Flexible Learning School, without a written contract, while pupils were allegedly left to unsupervised "home study".⁷⁶ Meanwhile, the school increased its bank balance from around £25,000 in 2018 to over £750,000 in 2021.⁷⁷ Similarly, independent special schools backed by private equity feature prominently among the hundreds of providers found to be non-compliant with Ofsted's standards.⁷⁸ Five privately run special schools operated by the Cambian Group,

⁷² Booth, S. (2024, January 12). *Trusts plan their own private SEND schools amid place crisis*. Schools Week. <https://schoolsweek.co.uk/trusts-plan-their-own-private-send-schools-amid-place-crisis/>

⁷³ Local Offer Birmingham. (2024). *Birmingham SEND Sufficiency Strategy 2024-2030*. <https://www.localofferbirmingham.co.uk/wp-content/uploads/2024/10/Birmingham-SEND-Sufficiency-Strategy-2024-2030.pdf>

⁷⁴ Ofsted. (2023). *Main findings: State-funded schools inspections and outcomes as at 31 August 2023*. <https://www.gov.uk/government/statistics/state-funded-schools-inspections-and-outcomes-as-at-31-august-2023/main-findings-state-funded-schools-inspections-and-outcomes-as-at-31-august-2023>

⁷⁵ Department for Education. (2025). *School workforce in England: Reporting year 2024*. <https://explore-education-statistics.service.gov.uk/find-statistics/school-workforce-in-england/2024>

⁷⁶ Price, O. (2023, September 30). *Bankrupt Birmingham Council spent £4.5million on mostly online tuition*. Daily Mail. <https://www.dailymail.com/news/uk-politics/article-12541297/Bankrupt-Birmingham-Council-spent-4-5million-online-tuition-unsupervised-home-study-expelled-children-30-000-pupil-annual-bill-nearly-twice-one-citys-expensive-private-schools.html>

⁷⁷ Companies House. (n.d.). *Flexible Learning Ltd*. <https://find-and-update.company-information.service.gov.uk/company/16054914>

⁷⁸ Furneaux, R. (2025, February 17). *Private special schools charging £100k fees failed standards checks*. Schools Week. <https://schoolsweek.co.uk/private-special-schools-charging-councils-100k-fees-failed-standards-checks/>

which runs 22 Send schools and reported net profits of £6.5m in 2023, have failed independent school standards inspections in recent years.⁷⁹

According to the National Audit Office, the current approach of shunting growing numbers of pupils into expensive independent settings is “not delivering” for children or families.⁸⁰ Furthermore, those who are forced into specialist schools that would otherwise be best served by a mainstream top-up will not benefit from this model. This is almost certainly the case for some, as the largest reason for EHCP increases has been linked to ASD, while 60% of mainstream teachers have not received sufficient training in attending to autistic children.⁸¹

Many private placements may also not be convenient for families; the reliance on distant placements creates other downsides, with children often having to travel long distances or even live away from home to attend school. In Birmingham, dozens of children are placed in schools outside the city, some in neighbouring counties, with parents footing hundreds of pounds in travel costs a month.⁸²

Alternatives and building local

Given the inflated costs and unproven advantages of the private route, the logical solution would be to expand local authority provision and non-profit alternatives to reclaim as much Send funding as possible back into the public realm. Investing in local capacity will not only improve families’ experience but also save substantial money in the medium term. If Birmingham can create a maintained or community-run school place for, say, £20,000 a year rather than spending £70,000 on a private place, the per-child savings (~£50k) can be multiplied across hundreds of children. Those savings could then fund more teachers, therapists, and support staff, further improving quality and inclusion.

There are encouraging precedents. Some independent providers in the city operate on a non-profit basis, for example, special schools run by charitable trusts or national charities. These schools tend to charge far lower fees – often in the £25–35k range, roughly on par with equivalent state-maintained placement costs.

⁷⁹ Furneaux, R. (2025, February 17). *Private special schools charging £100k fees failed standards checks*. Schools Week. <https://schoolsweek.co.uk/private-special-schools-charging-councils-100k-fees-failed-standards-checks/>

⁸⁰ National Audit Office. (2024). *Support for children and young people with special educational needs*. <https://www.nao.org.uk/reports/support-for-children-and-young-people-with-special-educational-needs/>

⁸¹ Tirraoro, T. (2016). *Urgent action needed to train all teachers in Autism*. Special Needs Jungle. <https://www.specialneedsjungle.com/urgent-action-needed-to-train-all-teachers-in-autism/>

⁸² Local Offer Birmingham. (2024). *Birmingham SEND Sufficiency Strategy 2024-2030*. <https://www.localofferbirmingham.co.uk/wp-content/uploads/2024/10/Birmingham-SEND-Sufficiency-Strategy-2024-2030.pdf>

Queen Alexandra College (QAC), Harborne is a specialist college run by a registered charity, serving young people with high needs (mostly 16–25). QAC was graded “good” by Ofsted in June 2024 across education quality, leadership, personal development, and provision for learners with high needs, with all income reinvested because of its charitable status. This is a local, non-profit comparator to PE-backed providers for post-16.

Sunfield School (Ruskin Mill Trust), Clent, is an independent, non-maintained special school run by a charity just outside the city that takes Birmingham pupils. Ofsted graded Sunfield “outstanding” in personal development and “good” in quality of education in May 2024. As a charitable non-maintained special school, surpluses are reinvested, offering a non-profit benchmark in the 6–19 age range within Birmingham’s commissioning footprint.

The problem is that there are not enough such schools or places, and the central government is providing little support to turn this around in the medium term. With a national policy reset that deprioritised funding for building new schools, local alternatives are needed.

Birmingham has an opportunity to partner with the voluntary sector and encourage new providers whose priority is quality service rather than profit. Likewise, Birmingham could explore setting up its own arms-length trust or co-operative to run new special schools, ensuring that public funds remain in the community. The council’s strategy, hinting at commissioning “good value” independent provision within the city, could be steered in this direction, focusing on social value, local employment, and cost control in contracts.

Alternative: Direct procurement. In Wiltshire, the council is, for the first time, running a £20m procurement exercise to open a 60-place independent special school for children with SEMH needs in September 2025. The council is one of 34 with safety valve agreements, where reforms are made in exchange for government bailouts. It hopes to reduce “expensive” independent special school spend. The council would provide grade two listed Melksham House at a peppercorn rent. The provider must have expertise in running an Ofsted-registered ‘good’ or ‘outstanding’ special school.⁸³

Recommendations

The current pattern in Birmingham is financially unsustainable and often unjustified on quality grounds. The council spent an estimated £10m on Send legal disputes from 2014 to 2021, roughly half the cost of building a brand-new special school.⁸⁴ By redirecting funds towards new local places and support services, Birmingham can both meet its sufficiency gap and, over time, reduce its high-needs expenditures.

⁸³ New Economics Foundation. (2025). *Written evidence submitted by New Economics Foundation*.

<https://committees.parliament.uk/writtenevidence/137075/pdf/>

⁸⁴ Ford, M. (2023). *SEND advice service requires drastic overhaul*. LocalGov.

<https://www.localgov.co.uk/SEND-advice-service-requires-drastic-overhaul--/55437>

1. **Invest upstream in mainstream.** Birmingham and comparator local authorities should run a two-pronged programme to keep lower-complexity needs in maintained settings, fund sustained continuing professional development (CPD) programmes for mainstream teachers, and expand Send Coordinator provisions in the state sector at pace, building in outreach from special schools to mainstream. This reduces avoidable escalation into independent placements when mainstream cannot cope.
2. **Invite and prioritise non-profit specialist capacity for higher-complexity needs.** Use available capital and estates to open additional maintained special places, or, where suitable buildings exist, go to competitive tender offering long leases on existing public assets to charitable/non-profit providers to open new special schools, as per the Wiltshire-style approach of repurposing listed premises. This brings places onstream faster without embedding for-profit fee inflation.
3. **Rebuild navigation and reduce adversarial spend.** Birmingham city council wins only 3.7% of tribunal cases where a parent appeals a decision that their child shouldn't be placed in Send education, which indicates that a large share of initial refusals were not legally defensible and that the adversarial route was generating costs without protecting the public interest. The priority should be restoring SENDIASS to full statutory compliance, investing in independent mediation before disputes escalate to tribunal, and ensuring that SENAR caseworkers operate at sustainable caseloads so that families receive timely, accurate decisions at the first point of contact. Money recovered from reduced legal spend can be redirected into frontline provision.

The Send crisis is both a national and a local issue. There are also steps that the government in Westminster can take to tackle extraction and enable sustainable provision for children across the country.

1. **Build and expand state provision.** The DfE should allocate additional capital funding targeted at authorities with the largest deficits (like Birmingham). This could be through another round of special free schools or direct grants to councils for expansions. Crucially, the DfE must speed up delivery. Only 1 of 37 special free schools announced in 2020 had opened by late 2023. Such delays are unacceptable when councils are forced to spend millions on interim private places.⁸⁵ The DfE should streamline the approval and construction process for new Send schools through repurposing existing buildings. While the government has committed to ending the academy and free-school presumption in law, councils remain constrained in practice until those changes are enacted, limiting their ability to bring forward maintained provision where it is most needed. Birmingham's leadership, with support, could likely deliver new provision faster under its own auspices than waiting for multiple external approvals.
2. **Reform high needs funding and deficit rules.** The looming end of the DSG deficit statutory override in 2028 is a ticking time bomb; it has already been extended, kicking

⁸⁵ Booth, S. (2023, December 15). *How investors are making millions from the 'bankrupt' SEND system.* Schools Week. <https://schoolsweek.co.uk/how-investors-are-making-millions-from-the-bankrupt-send-system/>

the can down the road.⁸⁶ Without systemic fixes, Birmingham and many councils could hit a financial wall. The DfE must prevent a cliff edge by either extending the override or, better, writing off historic deficits as part of a new settlement. It makes little sense to bankrupt councils over accumulated Send costs that largely result from fulfilling statutory duties. A more sustainable approach would be a national High Needs reset, acknowledge that the 2014 reforms imposed costs not matched by funding, and adjust accordingly. DfE's Delivering Better Value (DBV) programme is an attempt to help councils like Birmingham manage costs, but it should not be a cover for cuts. Any DBV plan for Birmingham should prioritise invest-to-save measures, funding upfront expansion in return for future savings.

3. **Regulate the independent sector and ensure transparency.** The central government should not allow profiteering from Send to continue unchecked. One option is to empower Ofsted or the Competition and Markets Authority (CMA) to monitor pricing and profits in the independent special school market, similar to how utility regulators monitor prices. If evidence shows excess profits (as many suspect, given 20–30% profit margins reported⁸⁷), the DfE could explore direct measures, capping fee increases to inflation unless improvements can be evidenced, or even capping profits for providers that take predominantly public-funded placements (as was recommended for children's homes by the CMA in 2021).⁸⁸

⁸⁶ Public Accounts Committee. (2025). *Support for children and young people with special educational needs*. <https://committees.parliament.uk/publications/46238/documents/231788/default/>

⁸⁷ Booth, S. (2023, December 15). *How investors are making millions from the 'bankrupt' SEND system*. Schools Week. <https://schoolsweek.co.uk/how-investors-are-making-millions-from-the-bankrupt-send-system/#:~:text=But%2C%20a%20report%20commissioned%20by,see%20box%20out>

⁸⁸ Booth, S. (2023, December 15). *How investors are making millions from the 'bankrupt' SEND system*. Schools Week. <https://schoolsweek.co.uk/how-investors-are-making-millions-from-the-bankrupt-send-system/#:~:text=The%20Competition%20and%20Markets%20Authority,children%E2%80%99s%20homes%20or%20foster%20care>

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