

Rt Hon Lucy Powell MP
Secretary of State for Education
Sanctuary Buildings
Great Smith Street
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My Ref: JH / TK 066

Date: 5 August 2026

Dear Secretary of State

Fair Funding for Staffordshire's Children and Young People

We are writing to seek a review of education and high needs funding arrangements for Staffordshire. While we welcome the Government's commitment to improving opportunities for children and young people, the current funding system continues to leave Staffordshire at a significant disadvantage when compared with many other local authorities.

The evidence is clear. Staffordshire remains among the lowest funded authorities in England for both mainstream Dedicated Schools Grant (DSG) allocations and High Needs funding. Historic funding protections within the National Funding Formula have perpetuated inequalities that disadvantage counties such as Staffordshire and prevent funding from reflecting current levels of need.

Analysis identifies Staffordshire as the 18th lowest funded authority for DSG funding per mainstream pupil and the 6th lowest funded authority for High Needs funding per pupil. The provisional 2026/27 National Funding Formula comparison with Staffordshire's nearest statistical neighbours reinforces this position.

Staffordshire's primary aged pupil unit funding is £5,687 per pupil, below the nearest statistical neighbour average of £5,789 and the national average of £6,007. Its secondary aged pupil unit funding is £7,260 per pupil, below the nearest statistical neighbour average of £7,312 and substantially below the national average of £7,820. This position has persisted despite sustained growth in demand and increasing complexity of need.

If Staffordshire's primary unit of funding were increased to the nearest statistical neighbour average, the Schools Block would be approximately £6.7 million greater. If it were increased to the national average, it would be approximately £20.9 million greater. For secondary funding, alignment with the nearest statistical neighbour average would add approximately £2.5 million, while alignment with the

national average would add approximately £26.9 million. These figures demonstrate the scale of the structural funding gap facing Staffordshire schools before wider High Needs pressures are taken into account.

The consequences of this underfunding are profound. Staffordshire currently supports almost 11,100 children and young people with Education, Health and Care Plans (EHCPs), representing around 4% of the county's 0-25 population. Demand continues to rise, particularly in relation to autism, speech and language needs, and social, emotional and mental health needs, which together account for almost three quarters of EHCP primary needs.

Despite extensive transformation activity and significant efforts to improve accessible mainstream education, funding has not kept pace with demand. Staffordshire's High Needs budget pressures have grown year on year, resulting in a substantial DSG deficit. Current forecasts indicate an accumulated deficit that could reach between £180 million and £265 million by 2027/28 if the structural funding gap remains unresolved. Even with the welcome High Needs Stability Grant, the underlying funding imbalance remains.

This is not the result of poor financial management. Successive Schools Forum reports have consistently demonstrated that rising numbers of children requiring EHCPs, increased independent specialist placements, higher transport costs and greater complexity of need are outstripping annual funding increases. Staffordshire has repeatedly transferred funding from the Schools Block to the High Needs Block and pursued efficiencies, yet these measures cannot address a systemic national funding inequity.

The effects of underfunding are visible throughout the education system. Staffordshire's attainment outcomes remain below national averages in key measures. The 2025 Key Stage 4 published data indicates that approximately 61.9% of pupils achieved grade 4 or above in English and Mathematics, compared with 65.4% nationally. Only 39.7% achieved grade 5 or above, compared with 46.2% nationally. This means thousands of young people leave compulsory education each year without the literacy and numeracy qualifications needed for further study, employment and training. This is despite 90% of secondary aged pupils now being educated within academies.

The consequences do not end when young people leave school. Increasing numbers of students are entering further education without the expected standards in English and mathematics, requiring colleges to provide qualifications that should have been achieved by age 16. This is placing growing pressure on Staffordshire's colleges, many of which are already oversubscribed, with some operating at around 140% capacity.

As a result, many young people face delays before they can begin vocational training, apprenticeships or higher-level study. While their peers move into skilled employment or further education, they are still working to secure basic qualifications. This increases the risk of disengagement and contributes to rising levels of young people who are not in education, employment or training (NEET).

School funding is therefore not simply a schools' issue; it has direct consequences for further education, workforce development and young people's future opportunities.

For many of these young people, particularly those with SEND, earlier intervention, stronger accessible mainstream education and greater access to specialist support could improve educational outcomes and reduce the need for later and more costly interventions. However, local systems can only achieve this if funding levels are sufficient to sustain effective early help and inclusive practice.

The funding challenge extends beyond schools. Staffordshire already experiences significant system pressures associated with SEND and alternative provision. The county has historically relied on specialist placements at a higher rate than comparable authorities and continues to face growing demand for specialist support. Reports have identified that demand is continuing to outpace existing capacity despite substantial investment in local provision.

As a large, predominantly rural county, Staffordshire also faces additional challenges in ensuring sufficient local provision and supporting young people into education, employment and training. Where needs cannot be met locally, the consequences are felt across colleges, employment services and wider public services.

The current funding system also fails to recognise the financial impact of parental preference and geographic factors in large county authorities such as Staffordshire. Increasing numbers of placements are being secured outside local communities, including independent and specialist provision. This generates substantial and growing home-to-school transport costs.

For rural authorities such as Staffordshire, transport costs are not simply a consequence of distance. They are driven by a lack of sufficient local provision, increased specialist placements, market pressures, escort requirements and rising contract costs. National scrutiny has identified SEND transport as one of the most acute financial pressures facing local government, with expenditure having more than doubled nationally in less than a decade.

Whilst Staffordshire continues to invest in developing local specialist provision and increasing accessible mainstream education, these transport pressures remain significant and are not adequately recognised within current funding arrangements. The result is that resources which could otherwise be invested in early intervention and educational support are diverted to meeting unavoidable transport costs.

Staffordshire fully supports the Government's ambitions for SEND reform and accessible mainstream education. We are implementing an ambitious reform programme designed to increase mainstream inclusion, improve outcomes, reduce reliance on independent placements and create a more sustainable system for children and families.

However, reform alone cannot overcome a funding system that continues to disadvantage counties such as Staffordshire.

We therefore ask the Government to:

1. Review the National Funding Formula to address historic inequities and ensure funding reflects current levels of need.
2. Increase mainstream and High Needs funding allocations for historically underfunded authorities, including addressing the gap between Staffordshire's primary and secondary per-pupil funding rates and both statistical neighbour and national averages.
3. Recognise the additional costs faced by large rural authorities, including SEND transport pressures.
4. Ensure future funding reforms support early intervention, local accessible mainstream education and improved educational outcomes.
5. Align education, SEND, post-16 and employment policy so that funding reflects the true cost of supporting children and young people throughout their educational journey.

Staffordshire's children and young people deserve the same opportunities as those elsewhere in England. Fair funding is not simply a financial issue. It is fundamental to improving attainment, reducing inequalities, strengthening accessible mainstream education, supporting skills and workforce development, and enabling future economic prosperity.

We would welcome the opportunity to discuss these issues further and to work with Government to develop a funding model that better reflects need and supports sustainable improvement.

Yours sincerely



Janet Higgins
Cabinet Member for Education (and SEND)