

Bath and North East Somerset Council

Full Council meeting 20 November 2025

Liberal Democrat Motion on Stop Profiteering from Service Provision for Children

To be proposed by Councillor Paul May

Council notes:

1. In December 2024 the Government introduced the Children's Wellbeing and Schools Bill, with an overall aim to better protect children and raise standards in education.
 2. The Government also announced £740 million in new funding to support pupils with Special Educational Needs and Disabilities (SEND) and those needing alternative education within mainstream schools. Inclusion remains their overarching policy, so that our children and young people are educated together with their peers in their own community, where appropriate.
 3. The SEND system is under severe strain, with some families struggling to secure vital support for their children which is compounded by some schools and councils struggling to provide the necessary support. Council recognises the role of campaigning organisations, including SEND Sanctuary UK and Let Us Learn Too, to highlight the impact of inadequate funding on staffing and delays to provision.
 4. The Council's budget for children's service provision, particularly for those children in the care of the local authority, is under considerable strain. Residential provision and foster care services are increasingly costly due to for-profit operators.
 5. Children with SEND and those who are in care deserve the same opportunities as every child, including access to the support they need to thrive both in school and in later life.
 6. Research commissioned by the Liberal Democratsⁱ has revealed that private equity-backed SEND providers are making combined profits of over £100m a year, with some achieving margins of over 20%.
 7. Many of these companies are backed by firms registered in tax havens or foreign sovereign wealth funds.
 8. The Government has taken some action to curb profiteering, but more is needed. Through the Children's Wellbeing and Schools Bill, government has introduced powers to cap the profits of providers of illegal or exploitative children's homes, alongside enhancing financial transparency and greater enforcement by Ofsted.
- *Unless where specifically set out in the statute, motions approved at Council do not bind the Executive (Cabinet) but may influence their future decisions.*
 - *Councillors are reminded of their public sector equality duty which requires the Council to consider or think about how their policies or decisions may affect people who are protected under the Equality Act.*

9. The forthcoming Government review of the SEND and Alternative Provision system, which has been delayed until next year, would be an opportunity to propose action against excessive profits by SEND providers.
10. The proactive work of hard-working officers in Bath and North East Somerset Council to improve our SEND and social care services, which is commended.

Council believes that:

11. Making excessive profits from the needs of children is unacceptable and must end. Children are not commodities for profit and should never be treated as such. In principle, Council believes that social enterprises are the ideal model for SEND and children's social care service providers.
12. Resources must be directed into improving provision, staffing and outcomes for children, not into shareholder dividends or inflated executive pay.
13. Local authorities and schools should be supported to provide sustainable, high-quality, inclusive educational and residential provision within both their mainstream and specialist settings, including by establishing more cost-effective local provision.

Council resolves to:

14. Call on the Government to take action to cap the profits of private providers of services for vulnerable children, including sanctions against providers who breach this, with any profits returned to local authorities.
15. Support further reforms to boost the SEND and social care system, including strong financial oversight of providers, transparency, and new powers and funding for councils to build and manage local mainstream and specialist provision directly and to prioritise non-profit-making organisations in commissioning.
16. Endorse the principle that Government reforms must put children and their families first.
17. Request the Leader of the Council to write to the Secretary of State for Education on this matter.

ⁱ House of Commons Library research provided to Liberal Democrat MPs and published here:

<https://www.libdems.org.uk/press/release/lib-dems-demand-cap-on-send-providers-profits-as-top-firms-rake-in-pound100m>

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