



Department
for Education

High Needs Provision Capital Allocations Guidance

April 2021

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Summary

The government is committed to investing in new places for children and young people with special educational needs and disabilities (SEND) or who require alternative provision (AP). The Education Act 1996 sets out the statutory duty on local authorities to secure sufficient school places, which they must do with regard to securing special educational provision for pupils with SEND. The Children and Families Act 2014 also places important responsibilities on local authorities (LAs) for supporting children and young people with SEND, including keeping the sufficiency of educational provision for them under review. That is why we have announced we are committing £280 million in financial year 2021-22, to support local authorities to deliver new places and improve existing provision for children and young people with SEND, particularly those with more complex needs, and for those pupils that require alternative provision, which we collectively refer to as 'high needs' provision.

This funding is being provided to local authorities via a new grant: the High Needs Provision Capital Allocations (HNPCA). HNPCA funding has been allocated to LAs proportionally, based on each local authority's estimated share of future growth in the high needs pupil population. Further detail on the methodology used to calculate these allocations is available in our separate methodology note which can be accessed on [GOV.UK](https://www.gov.uk).

Whilst we are providing this funding primarily to assist local authorities deliver new places needed for September 2022, the funding is un-ringfenced (subject to certain conditions, as set out in the published Grant Determination Letter) and it is for local authorities to determine how to best use the funding to meet local priorities. We have therefore produced this guidance to support LAs as they consider how to best utilise their HNPCA funding. This guidance sets out:

- The intended purpose of this funding;
- Issues that LAs should consider to ensure that they achieve best outcomes;
- Details of the assurance arrangements attached to this funding.

Who is this publication for?

This guidance is for:

- Local authorities;
- School leaders, school staff and governing bodies in all maintained schools, academies, and free schools who may benefit from this funding.

Expiry or review date

This guidance is specific to the High Needs Provision Capital Allocations (HNPCA) for Financial Year 2021-22. Funding for years beyond 2021-22 will be subject to the outcomes of the next Spending Review, and this guidance should not be taken as an indication of any future methodology or approach to High Needs capital funding.

Intended purpose of this funding

High Needs Provision Capital Allocations (HNPCA) are being provided as an un-ringfenced grant under Section 31 of the Local Government Act 2003, subject to conditions detailed in the associated Grant Determination Letter on [GOV.UK](https://www.gov.uk). The funding is intended to address the need for places for academic year 2022/23 but it is not time-bound, and it will be for local authorities to determine how to best use this funding to meet their local priorities.

However, we are providing this funding with the aim that it should enable local authorities to invest in providing new places or to improve existing provision for pupils and students with high needs across a range of different educational settings. Whilst the funding is predominantly intended for school aged children, local authorities are free to choose to spend it across the 0-25 age range, for example in post-16 institutions.

This funding is mainly intended to meet the additional capital needs associated with new places for young people with complex needs, or who have Education, Health and Care plans (EHCPs). However, it can also be used to support SEND pupils without an EHCP where an LA considers this appropriate (for example to improve accessibility within mainstream schools). This funding is also intended to help local authorities create new places and improve existing provision for children who require alternative provision (including children in AP settings without an EHCP).

It is entirely legitimate for local authorities to spend their capital funding on provision that happens to lie outside the local authority's boundaries, if the local authority believes that the capital investment will improve the quality and range of provision available for pupils for which they are responsible. In areas where pupils travel regularly across local authority borders, we encourage LAs to work with neighbouring authorities to consider solutions that may benefit pupils across that broader region.

Local authorities may also combine their HNPCA with other sources of capital funding to tackle larger projects – indeed, local authorities are encouraged to think strategically and consider economies of scale or efficiencies that may be achieved through, for example, combining condition works and expansion schemes, including as part of decisions taken in concert with other responsible bodies.

Suggested types of work

We encourage local authorities to spend this funding in ways that increase the number of places available for pupils and students with high needs and/or adapt and improve facilities to expand their use or make available to a wider range of needs. Where possible LAs should consider investing in projects that should help the local authority manage pressures on their high needs budgets and should ensure they are considering any resulting savings when developing their DSG Management plans.

Examples of the types of work we would encourage LAs to consider include, but are not limited to:

- projects that enable and/or increase access to mainstream placements for pupils with high needs (who might otherwise have required more specialist provision);
- projects that increase the local availability of high needs places to help reduce out of area placements and associated transport or residential costs, and/or reduce reliance on more expensive provision where local provision can be provided at less ongoing cost;
- projects that adapt, re-model or improve existing high needs places to make them suitable for a wider range of pupil needs.

This could be achieved through:

- Expansion(s) to existing high needs provision, including at the same site or at a different site.
- Reconfiguring provision to make available space for additional places or facilities.
- Re-purposing areas so that they meet the needs of pupils with SEND.
- Investment in accessibility to improve access to existing provision.
- Other capital transactions that result in new (additional) places or improvements to facilities.
- Investing in provision that is located in another local authority where this supports providing good outcomes for children in the area.

Specific examples might include:

- Expanding outstanding special provision that helps children attend school in the local area so that children gain independence within their local community.
- Adding a special unit or resourced provision to a good or outstanding mainstream school.
- Supporting or contributing to the cost of creating a whole new special school.
- Setting up a new learning kitchen or workshop to teach pupils the skills they need to be independent in adulthood and skills that can support them in employment.

The funding should be used to provide new places or improve existing provision in a range of provision types where this benefits children and young people with high needs aged between 0 and 25. This includes, but is not limited to:

- **Mainstream school or college including:**
 - Mainstream school or academy (including free schools, faith schools and grammar schools)
 - Further education (FE) college
 - Sixth form college
 - University Technical College (UTC)

- **Special unit or resourced provision, including:**
 - Special unit / resourced provision at mainstream school or academy (including free schools, faith schools and grammar schools);
 - Special unit / resourced provision at sixth form college;
 - Special provision provided by a further education (FE) college.

- **Special school or academy including:**
 - Special school (whether maintained or academy, including special free schools);
 - Non-maintained special school (NMSS);
 - Independent special school;
 - Special post-16 institution.

- **Alternative provision including:**
 - Pupil referral unit;
 - Alternative provision academy;
 - Hospital school.

- **Nursery or early years provider including:**
 - Nursery school (LA maintained);
 - Reception or early years provision within a school or academy;
 - Private, voluntary and independent (PVI) providers.

- **Other provision:**
 - Any other education provision that is attended by pupils with SEND and are aged between 0 and 25 or who require alternative provision and not otherwise covered. Local authorities should provide further details when they return their grant assurance data return.

We expect local authorities to create new (additional) places at good or outstanding schools and colleges wherever possible, and to notify the Department where this is not possible.

The funding is not intended for:

- Higher education including universities and other higher education provision.
- Any provision for those aged 25 and over.
- Individual mobility equipment such as wheelchairs. However, local authorities might choose to spend this funding on capital installations such as ceiling hoists for lifting non-ambulant children into, for example, a hydrotherapy pool.
- Maintenance work, which will be covered by Devolved Formula Capital funding, the Condition Improvement Fund or School Condition Allocations.

The funding is provided for capital purposes only and cannot be used for revenue expenditure of any kind, such as training or staff costs.

Strategic Planning and Procurement

In planning any resulting capital projects, we expect that local authorities will think strategically and consider economies of scale or efficiencies that may be achieved through, for example, combining HNPCA projects with condition works or other expansion schemes.

There are also specific conditions of grant attached to HNPCA obligating LAs to ensure any funding paid out under this grant is spent efficiently. The department expects local authorities to conduct a robust evaluation of procurement options for any education capital projects and, in doing so, to consider the use of both DfE's Construction Framework and its Modern Methods of Construction (MMC) Framework where these are likely to deliver overall savings and advantages (for more information on these see [GOV.UK](#)). A local authority should encourage academy trusts and other responsible bodies to do the same, should they be procuring a construction project directly.

Local authorities should also consider how to invest both revenue and capital funding strategically to maximise the benefit of both in the context of the current infrastructure and programmes. The Children and Families Act 2014 also requires LAs to keep their strategic plans for special educational provision under review, so LAs should therefore also consider how to best invest their HNPCA to improve their local offer. LAs should also consider completing a [DSG management plan template](#) to aid their strategic planning.

In line with their statutory responsibilities, we expect LAs to consult in an appropriate and proportionate manner with local parents, carers, young people, and providers on their intended strategy. Effective engagement with parents and carers is crucial in building and implementing a strategy that develops support for changes. This helps local authorities ensure that services will meet the needs of children and families. LAs should also consider how they can collaborate with other local authorities to form partnerships to work effectively across local borders.

When developing their strategic plans local authorities should also consider any future recommendations that may be made by the department's forthcoming SEND Review, when this becomes available.

Payment and Assurance Arrangements

Funding will be paid to local authorities **in one instalment in July 2021**. Local authorities will be required to verify this funding has been spent on capital projects through the section 151 officer's return.

We are also asking local authorities to complete a short grant assurance data return to provide details of projects they intend to fund using their HNPCA return. Local authorities therefore should complete the published template on [GOV.UK](#), setting out their intentions for the funding.

Completed templates should be returned to the department by **30 June 2021** by emailing the completed template to: capital.allocations@education.gov.uk

LAs are not required to publish these returns on their websites, but we would encourage LAs to consider doing so to aid local transparency.

We recognise that not all funding may be committed by the date listed above, therefore the template includes space for LAs to record funding that is not currently committed to a project. We would however encourage all LAs to complete the data return template to the best of their ability as this helps provide valuable data to the department as to the needs and the priorities of the sector in respect of high needs capital funding, which will help inform future policy development. Similarly, where final costings have not yet been established or might be considered commercially sensitive, LAs should seek to provide indicative figures where possible.

In due course, we will also ask LAs to provide details on their final expenditure of 2021-22 HNPCA through the Capital Spend Survey.

Special Provision Capital Funding

We would like to remind local authorities that they should also update and republish their local plan relating to the separate [Special Provision Capital Fund](#) (SPCF) for a final time, **by 30 June 2021**. This update should show how all the money allocated through the SPCF between 2018-2021 was spent. As per [the original guidance](#), if any costings are deemed to be commercially sensitive, LAs should leave these out temporarily and republish the plan as soon as it is no longer sensitive to publish this information.

LAs should provide the DfE a copy of their published SPCF local plan and/or a link to the published document, when they return their completed HNPCA assurance return by 30 June 2021.

Timeline

By 30 June 2021	LAs should complete the assurance data return template and return this, alongside a copy and/or link to their final SPCF plan update, to the following address: capital.allocations@education.gov.uk
July 2021	LAs will receive payment of HNPCA grants.
Autumn 2022	LAs will be asked to provide information on expenditure related to HNPCA as part of the Capital Spend Survey.

If you any queries relating to this guidance, or any other aspect of High Needs Provision Capital Allocations, please contact:

capital.allocations@education.gov.uk



Department
for Education

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