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Education
Funding
Agency

1. Purpose

This guide is primarily for local authorities (LAs) and institutions. It describes the process for notifying the Education Funding Agency (EFA) of changes to 2017 to 2018 academic year high needs place numbers and requesting changes to hospital education funding. It should be read alongside the [high needs funding operational guide 2017 to 2018](#).

2. Introduction

This technical note sets out the process for notifying EFA of institution level changes to 2017 to 2018 place numbers, which institutions are in scope and the principles against which EFA will consider changes to hospital education funding. It also explains how place funding is determined for institutions not within scope of this process.

As in 2016 to 2017, places funded should broadly reflect both local authorities' recent commissioning activity and strategic planning to secure suitable special educational needs and disabilities (SEND) provision and alternative provision (AP) in line with their statutory responsibilities. In considering changes to places funded, local authorities need to consider all high needs providers in their area and in doing so need to take account not only of their own commissioning decisions at these institutions but also the commissioning decisions of other local authorities. In the case of AP, local schools' commissioning activity and plans should also be considered. To ensure institutions receive the correct place funding direct from EFA, local authorities should notify EFA of changes to place numbers for EFA funded institutions for the 2017 to 2018 academic year by 25 November 2016.

The process for changing places in 2017 to 2018 is similar to last year, although flexibility is extended to include changes to post-16 place numbers in schools and academies. It should be noted that changes to 2017 to 2018 high needs place numbers will not change an authority's dedicated schools grant (DSG) allocation and increases should be funded from the authority's high needs budget. [Allocations of the high needs funding block](#) within each authority's DSG were announced in July 2016, and it was also made clear that any additional funding would be added when the final allocations are announced in December 2016.

Additional funding will also be available to local authorities in 2017 to 2018 to support growth in hospital education provision, at local authority level, where supporting evidence is provided.

3. Action for local authorities by 25 November 2016

Local authorities who wish to submit 2017 to 2018 place change notifications to EFA have until 25 November 2016. Any submissions received after this date will not be considered.

A 2017 to 2018 place change notification by a local authority must:

- be submitted on a place change notification workbook - the workbook can be downloaded from the [data collections portal](#) (username and password to access the portal will be emailed to local authority designated users)
- submit the completed 2017 to 2018 place change notification workbook via [the data collections portal](#)
- meet the requirements set out in this technical guide
- be completed in line with the notes section of the 2017 to 2018 place change notification workbook
- have sign-off by the Director of Children's Services (DCS)

The six sections of the 2017 to 2018 place change notification workbook are:

Welcome Guidance notes for local authorities on completion of workbook.

2016/17 Pre-populated with 2016 to 2017 high needs place numbers for institutions in the local authority area as at 1 September 2016'.
high needs
data

Place change notification	Changes to place numbers are entered on this sheet. Local authorities may enter 2017 to 2018 place number changes and must specify whether they are agreed with the relevant institution. Where changes are not entered for an institution, AY 2017 to 2018 place numbers will remain unchanged from AY 2016 to 2017. Local authorities may also enter 2017 to 2018 high needs place numbers for 'new' institutions. This may include: new specialist post-16 institutions (must have at least ten student places identified for 2017 to 2018 to be eligible for consideration for EFA funding), existing academies who are opening new specialist provision for the first time; maintained schools or pupil referral units (PRUs) as at 1 September 2016, but which converted to an academy by 25 November 2016, or infrastructure changes involving new sixth forms in maintained schools.
Hospital education funding change	Local authorities may submit proposed changes to hospital education funding in the 2017-18 financial year to reflect changes in hospital education expenditure due to a change of in-patient education provision. Evidence of the change in provision is required and must be attached to the workbook. Examples of acceptable evidence are a letter from the NHS confirming details of a new ward, or from the relevant local authority in the case of a transfer of services from one location to another in a different local authority area.
Summary	This sheet requires no manual entry. It presents an overall summary, aggregated to local authority level, of: place changes that have been submitted, the variation from 2016 to 2017 academic year place numbers, and the financial impact of these changes. This includes any proposed changes to funding for hospital education.
DCS declaration	All 2017 to 2018 place change notifications require sign-off by the Director of Children's Services (DCS).

Table 1: sections of the 2017 to 2018 place change notification workbook

4. Which institutions types are in scope for 2017 to 2018 place change notification?

The institution types that are in scope of the 2017 to 2018 place change notification are:

- mainstream academies
- mainstream free schools
- studio schools
- universal technical colleges (UTCs)
- special academies
- alternative provision (AP) academies
- further education (FE) colleges
- commercial and charitable providers (CCPs)
- new special post-16 institutions

5. Which institution types are outside scope of the 2017 to 2018 place change notification process?

The following institutions are not within scope of the 2017 to 2018 place change notification process and local authorities should not include these in returns to EFA. Further information on how the place funding is determined for these institutions is at [annex 1](#):

- maintained schools and pupil referral units (PRUs)
- special and AP free schools
- non-maintained special schools

- existing special post-16 institutions

6. Making changes to 2017 to 2018 place numbers

Table 2 shows each pre-16 institution and place type, identifying the data source for place numbers for the 2017 to 2018 academic year and which of these need to be notified to EFA by 25 November 2016:

Institution type	AP	SEN unit/resourced provision	Special schools	Data to determine hospital education places*	LAs to notify EFA of changes to place numbers?
Maintained mainstream schools, special schools and PRUs	LA data	LA data	LA data	LA data	No
Mainstream academies	LA data	LA data			Yes
Mainstream free schools, studio schools and UTCs	LA data	LA data			Yes
Special academies	LA data		LA data	LA data	Yes
AP academies	LA data	LA data		LA data	Yes
Special free schools and AP free schools	Other data**	Other data**	Other data**		No
Non-maintained special schools			Other data**		No

Table 2: pre-16 high needs place data source by institution and place type

Table 3 shows each post-16 institution and place type, identifying the data source for place numbers for the 2017 to 2018 academic year and which of these need to be notified to EFA by 25 November 2016:

Institution type	16-18 with SEND	19-25 with EHC plan	Data to determine hospital education places*	LAs to notify EFA of changes to place numbers?
Maintained mainstream schools, special schools and PRUs	LA data		LA data	No
FE colleges and CCPs	LA data	LA data		Yes
Mainstream academies	LA data			Yes
Mainstream free schools, studio schools and UTCs	LA data			Yes
Special academies	LA data		LA data	Yes

AP academies	LA data	LA data	Yes
Special free schools and AP free schools	Other data**		No
New special post-16 institutions	LA data	LA data	Yes
Existing special post-16 institutions	Other data**	Other data**	No
Non-maintained special schools	Other data**		No

Table 3: post-16 high needs place data source by institution and place type

*Local authorities do not need to notify EFA of hospital education place number changes at maintained institutions, unless a funding change to the local authority's 2017 to 2018 DSG is requested.

**See [annex 1](#) for information on other data.

7. 2017 to 2018 place change notifications

The "Request CHANGES here" sheet of the place change notification workbook provides a drop-down list to notify EFA of changes. These are shown in table 4 below.

'Reason for change' drop-down selection	When to choose this option
Amalgamation/merger of schools	This is for academies amalgamating or merging (see 'post-16 institution' for FE institutions). Details of the new institution formed and total place numbers should be entered.
Change from current high needs places	Use this option to notify a change in 2017 to 2018 place numbers for those institutions and place types in scope of this process see table 2 and table 3 .
Conversion to academy status	For details of a maintained school converting to an academy by 25 November 2016, including changes to the 2017 to 2018 place numbers.
Maintained mainstream school establishing a new 6th form	This is to notify EFA of new sixth form provision to ensure that this is correctly reflected in future funding allocations. Place numbers cannot be entered under this option.
Name change only	Place numbers cannot be entered under this option. Use this option where there has been a change in the name of the institution only. Other identifiers such as LAEstab or UPIN can also be updated if they have changed.
New academy/HN unit opening	New academies or units that are opening, or existing academies not previously funded for high needs provision, should be entered under this option, together with the place numbers as applicable.
Post-16 institution	For all changes relating to post-16 institutions, including amalgamations, mergers and new special post-16 institutions (SPIs). Place numbers can be entered as applicable.
Unit/school closing	To notify EFA of the closure of an academy. This should not be completed in the event that an institution remains

open but specialist provision is transferred or no longer funded as places (select 'change from current places'). No other institution detail changes can be notified here.

Other, please specify under the "NOTES" column	Use this option where either none, or more than two, of the above options are applicable for the notification you would like to make.
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Table 4: reason for change selection

In the event that the reason for the change notification falls under two or more of the above categories then either "merger" or "other" should be selected. For example, an increase at one academy due to two schools and an SEN unit at a converting school merging, then "merger" should be selected. If "merger" is not one of the reasons, select "other".

7.1 Mergers or amalgamations across local authority areas

If an institution merger has not taken place by 25 November 2016 (the deadline for submission of the workbook) local authorities should report 2017 to 2018 numbers for the existing institutions. 'Change from current high needs places' should be selected as the reason for change, after having reached an agreement on any place changes with the relevant local authorities and institutions.

Where there is a change to the overall 2017 to 2018 place numbers for a merger that takes place before 25 November 2016, the new home local authority should report the numbers in their workbook having discussed with the relevant local authorities to agree any increase or reduction in the total places with the institution, and include in the text box how the difference should be attributed between each authority.

Information on the 2017 to 2018 DSG funding arrangements for FE college mergers across local authorities where a significant transfer of places is involved is set out in [annex 2](#). In such cases the date of the merger and whether a funding adjustment is required should be entered in the text box. The principles at [annex 2](#) will be applied to FE college mergers to ensure that the impact of is cost neutral upon local authority budgets. Other significant place transfers between authorities will be considered on a case by case basis.

7.2 Changes agree with the institution

Where eligible institutions and the local authority agree changes to the high needs place numbers, the revised the 2017 to 2018 place number must be clearly recorded against the relevant institution and marked as agreed. EFA will update the institution's 2017 to 2018 place funding to reflect the revised number.

7.3 Changes not agreed with the institution

EFA will not consider place change notifications submitted for, but not agreed by:

- mainstream academies or free schools
- studio schools or UTCs
- AP academies
- new institutions (including converting schools)

- merging or amalgamating institutions

In such cases the published [2016 to 2017 academic year place numbers](#) will roll forward.

EFA will only consider notifications of place changes marked as not agreed with a special academy, FE college or CCP. We expect to receive very few requests not agreed with institutions.

The principles set out below will be used to determine the 2017 to 2018 academic year place numbers marked as not agreed with special academies and FE institutions, supported by the published January 2016 school census and May 2016 individualised learner record (ILR) data. We will update the ILR data to the 2015 to 2016 full academic year outturn at the end of November 2016. We anticipate the principles are sufficiently clear to assist local negotiations and can be used to resolve any disputes. Differences between actual occupancy and funded places may be taken into account locally in the top-up funding arrangements.

We will only consider 2017 to 2018 place change notifications not agreed with the institution, where the change is a reduction or increase of:

- at least 10% of the total 2016 to 2017 academic year places for an institution with more than 50 high needs places, or
- at least 5 places for an institution with less than 50 high needs places in the 2016 to 2017 academic year

We will determine the 2017 to 2018 place number by using 2015 to 2016 ILR R14 (for FE Colleges and CCPs) and the January 2016 census data (for special academies) and adopt the following three principles:

- where the notification and ILR/census data confirm a reduction to the 2016 to 2017 place data; we will change the 2017 to 2018 place numbers to the higher of the ILR/census data or the notification
- where the notification and ILR/census data confirm an increase to the 2016 to 2017 place data; we will change the 2017 to 2018 place numbers to the lower of the ILR/census data or the notification
- where a notification to increase or decrease the 2016 to 2017 place data is not confirmed by the trend in the ILR/census data; we will not make any change to the place numbers and the 2016 to 2017 numbers will be rolled forward

Examples of how this will work for special academies and FE institutions are shown in table 5:

Notification	Institution	2016 to 2017 high needs places (HNP)	LA notification	Per cent change notified	ILR/census data	EFA decision	Basis for EFA decision
Decrease to the 2016 to 2017 places	A	93	65	-30%	67	67	Notification and data show reduction to HNP. EFA decide on higher number, which in this case is the data.
Decrease to 2016 to 2017 places	B	134	40	-70%	18	40	Notification and data show reduction to HNP. EFA decide on higher number, which in this case is the LA notification.
Increase to the 2016 to 2017 places	C	22	38	+73%	20	22	Notification shows increase to HNP,

2017 places							but data is lower. EFA therefore roll forward 2015 to 2016 HNP.
Decrease to the 2016 to 2017 places - below threshold	E	40	36	-10%	36	40	Notification change in 10%, but for 4 places which is below 5 place threshold. Change not agreed.
Decrease to the 2016 to 2017 places on 5 place threshold	F	30	25	-17%	24	25	Change notification is on 5 place threshold. Notification and data show reduction to HNP. Agree to 25 places.

Table 5: determine place numbers for changes not agreed

Further information on the amount per high needs places to be deducted from a local authority's DSG for 2017 to 2018 is set out at [annex 3](#).

8. New post-16 institutions

To be eligible to receive EFA grant funding to deliver specialist education and training provision for students with high levels of support needs in the academic year 2017 to 2018, potential new institutions must be referenced within their home LA's workbook, returned to the EFA by 25 November 2016. The home local authority is where the potential new institutions' main premises are situated. Other local authorities who wish to commission places should liaise with the home local authority to ensure that those places are recorded on the home local authority return. New institutions must have at least ten student places identified for 2017 to 2018 to be eligible for consideration for EFA funding. The costs of these places are not deducted from local authority budgets.

Following the place change notification process the EFA will contact eligible institutions to begin a due diligence process. This must be completed by 31 March 2017 for consideration for EFA funding for the academic year 2017 to 2018. Further information is available on the elements of the due diligence process and the requirements institutions must meet to be eligible for EFA funding. Place funding agreed with an institution through this process is not deducted from a local authority's DSG.

9. Hospital education: funding change requests

Local authorities are able to submit requests to change hospital education funding, at local authority level, for 2017 to 2018. This may be an increase in funding due to new hospital in-patient provision, or reduce funding if such provision has closed or transferred.

In submitting a request to change hospital education funding in 2017 to 2018, local authorities need to provide the following information in the workbook:

2016 to 2017 s251 hospital education expenditure	This includes section 251 data on hospital education expenditure from table 1 (line 1.2.6) and table 2.
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2016 to	To include local authority expenditure on hospital education if different to the above, for example if the change to provision
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2017 hospital education expenditure (if different to section 251 data) was not known when the authority completed the section 251 statement.

Funding change for 2017 to 2018 due to change in provision The amount of increase or decrease in funding for 2017 to 2018 due to the change in provision.

Reason for funding change This must be in line with the principles below and include: details on new or closed inpatient services, the date the change of provision took place or will take place, 2016 to 2017 costs from the date of change (indicate both recurrent costs and one-off costs due to new or closing provision, and full 2017 to 2018 financial year recurrent costs. Only recurrent costs will be considered. One-off costs should be met from existing high needs funding. Information at local authority level should also be given if off-set by a change elsewhere in the authority, and details of the difference between the 2016 to 2017 section 251 planned expenditure and actual expenditure should be provided (if relevant).

Funding change at institution level Change at institution level must be supplied (if relevant) giving details of institution name, LAEstab, notes supporting the change and the revised hospital education service funding amount (2017 to 2018 financial year) and/or hospital places and per place funding amount (2017 to 2018 academic year).

Evidence to support the change in hospital inpatient provision This must be included for increases in provision. It can be a letter from the NHS that clearly demonstrates the change in education provision is as a result of an actual change in medical/health inpatient provision, confirming the inpatient number increase/decrease and date of change. Alternatively it can be a letter from the local authority, where a service has transferred from one local authority to another, confirming the amount of funding to be transferred - this must be signed by the DCS or CFO.

Table 6: hospital education funding change requests

9.1 Principles for funding change requests

A local authority may request a funding change relating to an increase or decrease in hospital education expenditure, following a change to medical or health care inpatient provision in their area. Requests for funding changes should relate to:

- infrastructure change (such as a transfer of services between LAs)
- a change to hospital or mental health unit provision in the local authority area during 2016 to 2017 (or due to occur in 2017 to 2018 where there is no doubt that the change will happen) that resulted in an increase or reduction in local authority expenditure on hospital education, which will continue in 2017 to 2018

Hospital education funding changes must relate to the recurrent costs of places or services funded by the local authority, including changes relating to hospital education provision delivered by academies where the funding is recouped from local authorities' DSG. These changes would result from an actual increase or decrease in in-patient provision, where the inpatients include children and young people from other local authorities. Funding changes for the following will not be considered:

discrete services for pupils only from the local authority, such as a home tuition service

- speculative increases, including forecasts based on historical data and trends, or proposed provision changes in 2017 to 2018 which have not been approved for implementation on a specific date
- increase in hospital education places, due to reclassification of provision, such as places previously funded as AP
- cost increases, such as: pay for salary, pension or national insurance increases for the same number of teachers, or increased use or cost of independent hospital education provision
- one-off costs, such as start-up costs associated with new provision

All increases in the funding of places or services that will not be considered by EFA for the reasons given above, can be considered by the local authority for funding from any increase in their high needs allocation, or from other funds.

Information on hospital education expenditure is required at local authority level and must also include details of any changes at the relevant institution(s). This is because an increase in one institution may be offset by reductions in others. Local authorities must confirm whether the change is a transfer of provision, including a reclassification of AP places as hospital education, or has been offset by other changes in provision across the authority.

9.2 Basis on which funding changes will be determined and requests will be assessed

EFA will consider requests for additional funding against the above principles. Subject to the request being in-line with these principles, the amount of the funding change should be determined in line with the following example scenario:

A local authority confirms total 2016 to 2017 section 251 expenditure on hospital education expenditure as £200,000 and requests a 2017 to 2018 funding increase of £120,000. The reason given for the change is a new 10 bed children's ward opened on 1 August 2016 in Middleton hospital (NHS letter supplied as evidence). Total costs in 2016-17 are £70,000 - £60,000 recurrent and £10,000 start-up costs. Total financial year recurrent costs for the new ward, mainly for teaching, will be £120,000. The authority confirms no other planned changes to other hospital education provision/expenditure within the authority.

Based on the above, and revised details of the institution's 2017 to 2018, an increase of £120,000 would be provided to reflect the full 2017 to 2018 recurrent costs for the new provision.

10. Next steps

EFA have contacted local authority designated users with information on how to submit the workbook via the EFA portal. If you are not sure who the designated user is within your local authority, or want to submit the return for your authority please contact EFA at: highneeds.EFA@education.gov.uk.

Local authorities must submit the workbook via the [data collections portal](#) by 25 November 2016. Submissions received after this date will not be considered.

We will validate each 2017 to 2018 place change notification workbook, to ensure the actions required by local authorities as set out in this document have been completed correctly.

Subject to a satisfactory validation, all changes agreed with the relevant institution will be updated by EFA for the 2017 to 2018 academic year. Where changes have not been agreed with the institution, the 2017 to 2018 academic year place numbers will be updated in line with the principles set out above.

Requests for hospital education funding changes will be carefully considered and moderated.

We will advise local authorities of the outcome in January 2017.

11. Annex 1

11.1 Maintained schools, special schools and PRUs

Changes to pre-16 and post-16 place numbers in maintained institutions are to be managed at a local level using the high needs allocation flexibly, within the terms of the regulations and conditions of grant from EFA. This will continue in 2017 to 2018 and EFA does not need to be informed (via the place change notification process) of any changes to place numbers at a maintained institution.

11.2 Maintained schools converting to academies

Local authorities and maintained schools may have agreed changes to 2017 to 2018 high needs place numbers. However, EFA will not hold this information for schools that convert to academies after 25 November 2016. In such cases, this must be notified to the project lead during the conversion process. To ensure the academy is funded on the correct basis, a form must be completed by the local authority notifying EFA of changes to the academy's 2017 to 2018 high needs places before the academy order is granted.

If no such changes are notified to EFA, [2016 to 2017 published place numbers](#) will be rolled forward as the basis for EFA funding in the 2017 to 2018 academic year.

11.3 Special and AP free schools

Special and AP free schools are not part of this process. EFA will contact special and AP free schools direct in early November 2016 for information to determine their place funding allocations for the 2017 to 2018 academic year.

11.4 Non-maintained special schools (NMSS) and special post-16 institutions (SPIs)

NMSS and SPIs are funded directly by EFA using school census and ILR data respectively.

12. Annex 2

There are several cases where two or more FE colleges have recently merged, or are due to merge. Many of these involve colleges located in different local authorities and these examples illustrate how the impact of mergers will be cost neutral to local authorities.

The following assumes that the number of places is the same in both 2016 to 2017 and 2017 to 2018

academic years:

1) Colleges in two different LAs merge before 31 March 2017

- College A - 100 places - local authority 1 is the home authority
- College B - 150 places - local authority 2 is the home authority
- College A/B - 250 places - local authority 2 is the new home authority

EFA will move £600,000 (£6,000 x 100 places) from local authority 1's DSG high needs block to local authority 2's.

EFA will deduct the full £1.5 million (£6,000 x 250 places) in places from local authority 2.

2) Colleges in two different LAs merge after the start of FY 2017 to 2018

- College A - 50 places - local authority 1 is the home authority
- College B - 100 places - local authority 2 is the home authority
- College A/B - 150 places - local authority 2 is the new home authority

EFA will continue to deduct from each LA as though the colleges were unmerged for the remainder of the financial year. No DSG transfer is needed. For the 2018 to 2019 financial year, the first scenario above would apply.

13. Annex 3

13.1 Funding implications of 2017 to 2018 place change requests

We have transferred £125 million from the department's post-16 budget to the high needs block baseline, based on 2016 to 2017 academic year place numbers (see also [annex 2](#)).

In 2017 to 2018, high needs places will be deducted from the DSG on the following basis:

Institution type	Place type	Financial year DSG deduction 2017 to 2018 (£) (1)	Academic year DSG deduction 2017 to 2018 (2) (£)
Maintained schools	Pre and post-16	-	-
Mainstream academies, free schools, studio schools and UTCs*	Pre-16 (SEN units)	5,833	10,000
Mainstream academies, free schools, studio schools and UTCs*	Post-16 (SEN)	4,000	6,000
Special academies	Pre-16 (SEN and AP)	5,833	10,000
Special academies	Post-16 (SEN)	6,667	10,000
AP academies	Pre-16 (AP)	5,833	10,000

and SEN)

AP academies	Post-16 (SEN)	4,000	6,000
FE colleges and CCPs	Post 16 (SEN)	4,000	6,000
SPIs	Post-16 (SEN)	-	-
Hospital places at academies	Hospital education	Based on LA data	Based on LA data

*may exclude the first year of opening subject to consultation

Examples of DSG deductions:

(1) financial year funding is: £10k *7/12 = £5,833 (September 2017 to March 2018) for pre-16 places in academies; £10k *8/12 = £6,667 (August 2017 to March 2018) for post-16 places in special academies; and £6k *8/12 = £4,000 (August 2017 to March 2018) for post-16 places in mainstream academies, FE institutions and CCPs.

(2) academic year funding is: £10,000 per pre-16 place in academies, £10,000 per post-16 place in special academies and £6,000 per place (element 2) in mainstream academies, FE institutions/CCPs.

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