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Guidance

Hospital education funding: guidance

Updated 22 January 2020

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1. Introduction

Local authorities can apply for changes to their hospital education funding for 2020 to 2021. This may be a change in funding due to a change in the health care or medical provision in the local authority area.

Local authorities should submit requests through the 2020 to 2021 place change notification workbook, in-line with the principles set out in this guidance. Guidance and information on accessing and completing the workbook is available in the [2020 to 2021 place change notification: guidance and technical note](#). The deadline for returns is 15 November 2019.

This process relates to local authority level funding through the dedicated schools grant high needs funding block. If, as a result of this change, there is also an impact on the number of hospital education places to be funded at an academy, changes to the institution level allocations must be notified to ESFA in a separate section of the 2020 to 2021 place change notification workbook.

2. Background

Hospital education can be funded by local authorities either on the basis of an amount per place, or as a centrally funded service. Hospital education places covered by this data collection may be in maintained hospital schools, pupil referral units (PRUs) and the equivalent academies. Independent hospital provision is only covered if a single local authority funds the provision, regardless of where the patients come from.

This process is to recognise that a change in medical provision, such as a new hospital ward or mental health unit, can have an impact on the level of hospital education the local authority is required to provide. When new medical provision is proposed, local authorities should work closely with the NHS and education providers at an early stage to agree arrangements for the provision.

Local authorities can apply for additional funding in cases where an increase in provision that has occurred in 2019 to 2020 will continue into 2020 to 2021, or where an increase in provision in 2020 to 2021 has been confirmed.

There may also be cases where medical provision has closed, or transferred between local authorities, and authorities can use this process to apply for a reduction or transfer of funding.

3. Principles and scope

ESFA will only consider requests relating to a change in medical provision, where the local authority will incur additional and recurring costs for providing education. This includes hospital education provided directly by the local authority, or by maintained hospital schools, PRUs, the equivalent academies or independent hospital education provision fully funded through the local authority's high need budget.

Requests for the following are out of scope of this process and will not be considered for additional funding through this process:

- funding for start-up or one-off costs, such as IT equipment
- funding for discrete services for example:
 - pupils only from the local authority and not accessible for pupils from elsewhere, such as home tuition
 - education provided outside term-time
- changes to hospital education provision unrelated to a change in medical provision, for example:
 - extending education provision to cover an increase in teacher contact time for a similar number of pupils with similar needs
 - education provision for pupils with medical needs is extended at an AP

setting due to a local authority decision, not resulting from an expansion of medical provision eg NHS

- funding for cost increases such as:
 - increase in salary costs
 - pension or national insurance increases
- increases in the cost of independent hospital education provision for individual patients

Such costs as those above may be met from the local authority's high needs budget. The hospital education funding to be allocated in 2020 to 2021 will be subject to an 8% increase compared with the 2019 to 2020 allocations. Local authorities will wish to consider the extent to which this is passed on to the providers, in recognition of any cost increases.

3.1 How to apply

Requests must be submitted through the 'Hospital Education Template' spreadsheet in the place change notification workbook by Friday, 15 November 2019. Advice on accessing and completing the workbook has been issued to local authorities and is available in the [2020 to 2021 place change notification process: guidance and technical note](#).

Questions relating to this process should be sent to [ESFA](#).

Local authorities must first ensure the request meets the above principles for eligibility and is within scope. For ESFA to consider requests, Director of Children's Services (DCS) sign-off is required for audit purposes. The following information must be provided in the workbook with evidence of the change in medical provision as set-out in the section 'NHS supporting evidence' below:

Health care provider:

- the name of the medical provision that is changing
- the change in provision, for example the number of new beds as a result of a new ward opening
- the confirmed date of change e.g. when the new beds will be occupied

Education provider:

- the name, type, and establishment number of the education provision that the change relates to. The local authority should be given as the provider if the education is provided directly by the authority, for example if teachers are employed directly to work in a hospital.
- the provider's current funding level
- the change in funding requested

- supporting information on the resulting impact of changes in the number of beds in the medical provision to the number of children and young people to be educated

Resource breakdown - this must include a detailed breakdown of how the requested funding change has been derived including:

- additional resources required eg FTE of teaching staff, education support staff, administrative and clerical staff
- costs relating to each of the above

It is important the resources show the net change at local authority level, not changes that can be met from current staffing levels within the authority. This must only include recurring costs, and not start-up or one-off revenue or capital costs.

The deadline for applications is Friday 15 November 2019.

ESFA will confirm the outcome of all applications in January 2020.

3.2 NHS supporting evidence

To support the local authority's application, an NHS letter or document must also be provided as evidence. This should be embedded in the place change workbook. It should be brief (no longer than two pages) and must include the following information:

- name of hospital or health care provider
- name and type of new provision, for example ward name and type
- the net increase in inpatient beds for children and young people or the change in the average number of children or young people receiving day or ambulatory care
- dates (month and year) new beds became or will become available for occupation
- confirmation that the increase in medical provision takes into account the net change, and is not being offset by a reduction in other provision

Please note that we will be unable to consider any additional information provided by the NHS.

3.3 Next steps

ESFA will consider all requests submitted by the deadline. Late requests will not be considered.

Requests for funding changes are reviewed by a moderation panel chaired by an official from ESFA that includes representatives from external partners with experience in hospital education management. All requests are considered in confidence and potential conflicts of interest must be declared by panel members. A member is excluded from the assessment of a request if there is a conflict of interest.

The panel ensure requests are considered in-line with the above principles and that required evidence is provided. In addition, requests are assessed to determine whether the staffing and costs requested are reasonable. The panel ensures consistency is applied in reviewing all requests. The final determination is made by an official of the Department on behalf of the Secretary of State.

ESFA will write to local authorities confirming the outcome in mid/late January 2020.

Subject to the request being agreed, an adjustment will be made to the 2020 to 2021 local authority's DSG high needs block. If the change occurred during 2019 to 2020, and was not included or considered in last year's process, this adjustment will include retrospective funding. Adjustments will be pro-rated if the change in medical provision occurs part way through the 2019 to 2020 or 2020 to 2021 financial year.

An illustration of how this may be calculated is shown in the table below:

Full financial year recurrent costs	Date of change in provision	Pro-rated adjustment by month	2020 to 2021 DSG funding adjustment
£100,000	April 2020	*12/12	£100,000
£100,000	June 2020	*10/12	£83,333
£100,000	November 2019	*17/12	£141,667

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