



Department
for Education

High Needs Provision Capital Allocations Guidance

March 2022

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Summary

The Education Act 1996 sets out a statutory duty on local authorities (LAs) to secure sufficient school places, which they must do with regard to securing special educational provision for children and young people with special educational needs and disabilities (SEND) as well as those requiring alternative provision (AP). The Children and Families Act 2014 also places important statutory responsibilities on LAs for supporting children and young people with SEND, including keeping the sufficiency of educational provision for them under review. The government is committed to supporting LAs to fulfil these duties and in October 2021 announced that it will invest £2.6bn between 2022 and 2025 to support LAs 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 who require alternative provision. Collectively we refer to provision for these individuals as 'High Needs' provision.

This funding represents a transformational investment in new High Needs provision and we expect it to help deliver tens of thousands of new places, supporting learning in both mainstream and special provision. It will also be used to improve the suitability and accessibility of existing buildings and go towards new special and AP free schools to help drive up standards in special education.

As part of this funding commitment, in March 2022 we announced two further years of High Needs Provision Capital Allocations (HNPCA), covering financial years (FY) 2022-23 and 2023-24, amounting to over £1.4bn of new investment in High Needs provision. It is to this HNPCA grant funding that this guidance relates.

HNPCA funding is allocated to LAs proportionally, based on the estimated share of future growth in the children and young people in each LA who may require High Needs provision as a percentage of the national total. A small change has been made from the methodology used for the 2021-22 allocations, in that a proportion of the available funding (25%) is now distributed to LAs in accordance with their forecast High Needs population size. Further detail on the methodology used to calculate these allocations, and the rationale for this change, is available in our separate methodology note which can be accessed on [GOV.UK](https://www.gov.uk).

We are providing this funding primarily to assist LAs in delivering new places needed for September 2023 and September 2024 respectively. However, the funding is unringfenced (subject to certain conditions, as set out in the published Grant Determination document) and it is ultimately for LAs to determine how to best use the funding to meet local priorities. We have therefore produced this guidance to support local authorities 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;
- Leaders, staff and governing bodies in all maintained schools, academies (including free schools), or other institutions who may benefit from this funding.

Expiry or review date

This guidance is specific to the High Needs Provision Capital Allocations (HNPCA) for financial years 2022-23 and 2023-24. We have yet to announce details of funding for any years beyond 2023-24 and this guidance should not be taken as an indication of any future funding, methodology, or approach to High Needs capital funding the DfE may take in future.

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)¹.

Whilst it is ultimately up to LAs to determine how to best prioritise this funding to address local priorities, we want to work alongside LAs to reform the current system and achieve our shared endeavour to tackle cost inflation and secure a financially sustainable high needs system. Whilst the SEND Review proposals will help to achieve these changes longer term, we expect LAs to make use of the increased capital investment being made available to improve the suitability and sufficiency of high needs provision in their areas over the next three years. Funding beyond 2025 is contingent on the outcomes of future Spending Reviews and additional capital funding beyond this period cannot be guaranteed; it is therefore critical that prudent decisions are taken now to ensure the sustainability of the system for the longer-term.

We recognise that the creation of additional places in state settings, whether in mainstream or special provision, will be an important factor in helping the system reduce overall cost pressures, including those associated with out-of-area placements and recent increases in the use of more expensive independent provision. To that end, we are providing this funding with the aim that it should primarily be used to meet the capital costs associated with providing new places and improving existing provision, for:

- Children and young people with complex needs, who have Education, Health and Care plans (EHCPs), and where appropriate other children and young people with SEND who do not have an EHCP;

¹ <https://www.gov.uk/government/publications/high-needs-provision-capital-allocations>

- Pupils who require alternative provision (including children in AP settings without an EHCP).

Whilst the funding is predominantly intended for school aged children, LAs can spend it across the 0-25 age range, including in special post-16 institutions or other further education (FE) settings. The funding is intended to address the need for places in academic years 2023/24 and 2024/25, but it is not time-bound.

We recognise that ensuring the sufficiency of High Needs provision can also require LAs to adapt, re-model or improve existing provision to make it appropriate or suitable for a different or wider set of children and young people's needs.

Accordingly, HNPCA in 2022-24 includes an element specifically intended to support LAs to invest in suitability and/or accessibility projects² where this may be appropriate. The balance between investment in new places versus remodelling or improvement of existing places will differ from LA to LA, dependent on local circumstances. Therefore, we are not setting out a central recommendation on how LAs should apportion their funding between these objectives. It will be for LAs to determine how to best prioritise their available funding to address their local priorities. As with all decisions concerning the local offer of services and provision available to support children and young people with SEN, it should be made through consultation with parents and young people; schools and colleges; and relevant health and social care partners.

Suggested types of work

We strongly encourage LAs to spend this funding in ways that better match the number of places needed and available for children and young people who require High Needs provision and/or adapt and improve facilities to expand their use or make available to a wider range of needs. In doing so, LAs should consider prioritising projects that will help them to manage pressures on their high needs budgets; and should ensure they are considering any resulting savings when developing their local [Dedicated Schools Grant \(DSG\) management plan](#)³.

In particular, LAs should consider prioritising projects that increase available placements for children and young people with EHCPs in mainstream settings (i.e. new SEN units or resourced provisions) or promote effective upstream support from specialist teams and settings within the mainstream environment, where this can be made suitable for children and young people with SEND.

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

² Suitability/accessibility work does not refer to routine maintenance or refurbishment required primarily because of building condition. LAs and other responsible bodies should continue to use their allocated condition funding for these purposes, i.e. School Condition Allocations (SCA), Devolved Formula Capital (DFC) and for some academies the Condition Improvement Fund (CIF).

³ <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-deficit-management-plan>

- projects that enable and/or increase access to mainstream placements for children and young people who might otherwise have required more specialist provision;
- projects that increase the local availability of High Needs places where this can help reduce out of area placements and associated transport or residential costs, and/or reduce reliance on poor quality, inappropriate or 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 needs.

This could be achieved through:

- Expansion of existing High Needs provision, including expanding existing provision to a different or additional site.
- Reconfiguring existing provision to make available space for additional places or specialist facilities.
- Creation of new High Needs provision, whether via specialist units or resourced provision in mainstream schools or via the creation of new settings.
- Re-purposing existing buildings or facilities so that they better meet the needs of children and young people with complex needs.
- Investment in accessibility to improve access to existing provision for a wider range of children and young people.
- Investing in provision located in another local authority where this supports good outcomes for children and young people for which the LA remains responsible.
- Any other capital transactions that result in new (additional) places or improvements to facilities.

Examples of appropriate projects might include, but are not limited to:

- Adding a special unit or resourced provision to a good or outstanding mainstream school.
- Expanding good or outstanding specialist provision so that children and young people can be educated closer to home and develop independence within their local community.
- Supporting or contributing to the cost of creating a whole new special school (via the 'free school presumption' process⁴).
- Setting up a new learning kitchen or workshop to teach children and young people the skills they need to be independent in adulthood and skills that can support them in employment.

⁴ See section 6A of the Education and Inspections Act 2006, and published guidance at <https://www.gov.uk/government/publications/establishing-a-new-school-free-school-presumption>

The funding can 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 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 college.

- **Special school or academy including:**
 - Special school (whether maintained or academy, including special free schools);
 - Non-maintained special school (NMSS);
 - 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);
 - Early years provision within a school or academy;

- **Other provision:**
 - Any other education provision for children and young people with SEND who are aged between 0 and 25 or who require alternative provision which is not otherwise covered here. LAs should provide further details when they return their grant assurance data return.

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

When expanding existing provision, LAs should ensure they have appropriate regard to our statutory guidance on [making significant changes to maintained schools](#), or if working with an Academy Trust to our equivalent guidance on [making significant changes to an open academy](#). We expect LAs to be creating new (additional) places at good or outstanding schools and colleges wherever possible, and to notify the department where this is not possible.

This grant 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, LAs might choose to spend this funding on capital installations such as ceiling hoists for lifting non-ambulant children into, for example, a hydrotherapy pool.
- Capital works to maintain and improve the condition of the school estate, which should continue to be covered by Devolved Formula Capital funding (DFC), the Condition Improvement Fund (CIF) or School Condition Allocations (SCA).

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

As set out above, HNPCA allocations are not directly intended to address other capital needs, such as maintenance/condition work, mainstream provision (covered by Basic Need allocations) or new nursery/post-16 provision. However, in planning capital projects, we expect that LAs will think strategically and consider economies of scale or efficiencies that may be achieved, in particular through working across boundaries for commissioning of low incidence High Needs provision. For example, combining condition works and expansion schemes, including as part of decisions taken in concert with other responsible bodies around the use of the Condition Improvement Fund (CIF), School Condition Allocations (SCA), and the School Rebuilding Programme (where the department will be happy to discuss the potential for synergies with those LAs involved).

Local authorities should also consider how they can secure wider social, economic and environmental benefits when commissioning public services/projects. Before they start the procurement process, LAs should think about whether the works and services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders. In addition to local social value priorities, LAs should consider the themes and policy outcomes in the Social Value Model. Further guidance is available at [GOV.UK](#)⁵.

⁵ <https://www.gov.uk/government/publications/social-value-act-information-and-resources/social-value-act-information-and-resources>

Developer contributions are also an important way of helping to meet demand for new school places when housing developments are contributing to increasing pupil numbers. The Local Planning Authority (LPA) secures developer contributions through section 106 agreements or the Community Infrastructure Levy (CIL) and decides what local infrastructure these contributions should support. We would encourage LPAs to negotiate significant contributions for new school places (including specialist provision) and work closely with colleagues planning school places in their area, including county councils when the LA responsible for education is not the LPA. LPAs can approach the Department for Education for support on assessing local school infrastructure needs, calculating costs of school provision and negotiations with developers. Guidance for LAs on securing developer contributions for education is published at [GOV.UK](https://www.gov.uk)⁶.

There are also specific conditions of grant attached to HNPCA requiring LAs to ensure any funding paid out under this grant is spent efficiently. The department expects LAs 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](https://www.gov.uk)⁷ and [MMC1](https://www.gov.uk)⁸). LAs should encourage academy trusts and other responsible bodies to do the same, should they be procuring a construction project directly.

LAs should also consider how to invest both revenue and capital funding strategically to maximise the benefit of both in their local context. The Children and Families Act 2014 also requires LAs to keep their strategic plans for special educational provision under review, so LAs should therefore consider how to best invest their HNPCA to improve their local offer. All LAs should also consider completing a [DSG management plan template](https://www.gov.uk)⁹ to aid their strategic planning.

The DfE is committed to supporting the Government's targets on climate change, including achieving net zero carbon emissions by 2050 target, as set out in the Climate Change Act 2008. To help LAs achieve the sustainability and design standards required to achieve net zero, HNPCA funding for 2022-24 includes an uplift to support LAs with the additional costs associated with net zero construction.

We strongly encourage LAs, to refer to the DfE's updated [School Output Specification 2021](https://www.gov.uk)¹⁰ when developing their local capital plans. This is a set of documents and tools that form the requirements for the design and construction of school building projects that are procured through the department's construction frameworks, and Annex 2J sets out the quality standards and performance

⁶ <https://www.gov.uk/government/publications/delivering-schools-to-support-housing-growth>

⁷ <https://www.gov.uk/government/publications/school-buildings-construction-framework-2021>

⁸ <https://www.gov.uk/government/publications/offsite-construction-framework-modern-methods-of-construction>

⁹ <https://www.gov.uk/government/publications/dedicated-schools-grant-dsg-deficit-management-plan>

¹⁰ <https://www.gov.uk/government/publications/output-specification-generic-design-brief-and-technical-annexes>

requirements relating to sustainability for school buildings and grounds. Even if LAs are not delivering their project through the DfE's Construction or MMC framework, these documents help set out best practice for delivering schools to higher sustainability standards, including considerations relating to buildings that are net zero carbon in operation and with additional climate resilience measures. Regardless of LAs' chosen delivery route, when planning for the use of HNPCA funding allocations, LAs should ensure they are considering environmental sustainability, carbon reduction and energy efficiency, to develop solutions for projects that are in line with wider Government targets and objectives.

Local Consultation

In line with their statutory responsibilities to keep their local offer of services and provision under review, we expect LAs to consult in an appropriate and proportionate manner with local parents, carers, young people, and providers when developing their local capital strategy for HNPCA. Effective engagement with parents and carers is crucial in building and implementing a strategy that develops support for local changes. This will help LAs ensure that services will meet the needs of children and families. The SEND Review emphasises the need for LAs to work together with local health and care partners to jointly plan and commission the local offer as appropriate. LAs should also consider how they can collaborate with other LAs to form partnerships to work effectively across local borders and should consider any other emerging recommendations made in the SEND Review.

When providing detail of their capital spending plans through their Grant Assurance Data returns (detailed below), LAs should also set out the details of any relevant consultation or engagement with local stakeholders they have undertaken in developing their capital proposals.

Payment and Assurance Arrangements

Funding for FY 2022-23 will be paid to LAs in one instalment in July 2022. You can expect funding for FY 2023-24 to be paid in July 2023. LAs will be required to verify this funding has been spent on capital projects through the section 151 officer's return for the relevant year.

As with 2021-22 HNPCA funding, we are also asking LAs to complete and return a short grant assurance data return at an appropriate interval, to provide details on the projects they intend to fund using HNPCA. LAs should therefore complete the published template on [GOV.UK](https://www.gov.uk), setting out their intentions for the funding. As we are announcing two years of funding simultaneously, LAs should endeavour to include in their returns any projects receiving funding from both 2022-23 and 2023-24 HNPCA funding. In addition, if projects benefitting from 2021-22 HNPCA funding have yet to be completed by the time of the data return, LAs should also include these projects.

LAs should return their completed templates to the department by **1st October 2022** by emailing it to: capital.allocations@education.gov.uk.

We will ask LAs to subsequently revisit and update their grant assurance data return over Summer 2023, to ensure it reflects any updated delivery plans, before providing an updated version of their return to the same Capital Allocations mailbox, no later than **1st October 2023**. LAs are not required to publish these returns on their websites, but we would strongly encourage LAs to consider doing so to aid local transparency.

We recognise that not all HNPCA funding may be committed by the 1st October 2022, and therefore the template includes space for 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 provides 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. If certain information might be considered locally or commercially sensitive (i.e. detailed costings for projects still in procurement or naming specific institutions where this might pre-empt local consultation), LAs should consider whether they can instead provide indicative figures or generic information (e.g. a plan to create a new SEN unit in an unidentified local secondary, pending the conclusion of local consultation etc.). If LAs have any queries or concerns about the information requested, they can contact us at capital.allocations@education.gov.uk for further information or guidance.

In due course, we will also ask LAs to provide details on their final expenditure of 2022-23 and 2023-24 HNPCA through the Capital Spend Survey (CSS).

The Chief Executive and Chief Internal Auditor of each of the recipient authorities are required to sign and return the declaration specified in the grant determination letter to the Capital Funding Team within the Capital Group of the Department for Education, by the date requested (dates will be confirmed in due course).

Timeline

July 2022	LA will receive payment of their FY 2022-23 HNPCA grant
By 1st October 2022	LAs should complete the assurance data return template and return this to the following address: capital.allocations@education.gov.uk
July 2023	LAs can expect to receive payment of their FY 2023-24 HNPCA grant.
By 1st October 2023	LAs should update and return their assurance data return template and return this to the following address: capital.allocations@education.gov.uk .

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

capital.allocations@education.gov.uk



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for Education

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