



Special provision fund capital allocations: Explanatory note

Overview of methodology

The special provision fund allocations first announced on 4 March 2017 support local authorities (LAs) to make capital investments in provision for pupils with special educational needs and disabilities. Local authorities can invest in new places and improvements to facilities for pupils with education, health and care (EHC) plans in mainstream and special schools, nurseries, colleges and other provision.

The funding is not ringfenced or timebound, so local authorities can make the best decisions for their areas. Local authorities are required to verify this funding has been spent on capital projects through the section 151 officer's return.

Allocations for 2018-19 to 2020-21

These allocations (at that point totalling £215 million) were originally announced in March 2017, based on the formula outlined in figure 1 below with a funding floor of £500,000. On 29 May 2018, we announced £50 million additional grant funding and on 16 December 2018, a further £100 million. This takes total investment to £365 million for the financial years 2018-19 to 2020-21. The additional funding has been split between local authorities. The £50 million has been split by increasing every original allocation by 50/215ths and the £100 million has been split by increasing every original allocation by 100/215ths.

The formula for the allocation announced in 2017 was based principally on projected population growth for children and young people aged 2-18 between the years 2018-19 and 2020-21. Location factors were also applied to take into account the varied costs of building in different regions. The subsequent additions of £50 million and £100 million now take all allocations to at least £848,000, an increase from £500,000. As in the original allocations, the City of London and the Isles of Scilly will not receive an allocation. These allocations are provided in addition to the basic need capital funding that local authorities receive to support the capital requirement for providing new pupil places.

Figure 1: Outline of the methodology for special provision allocations:

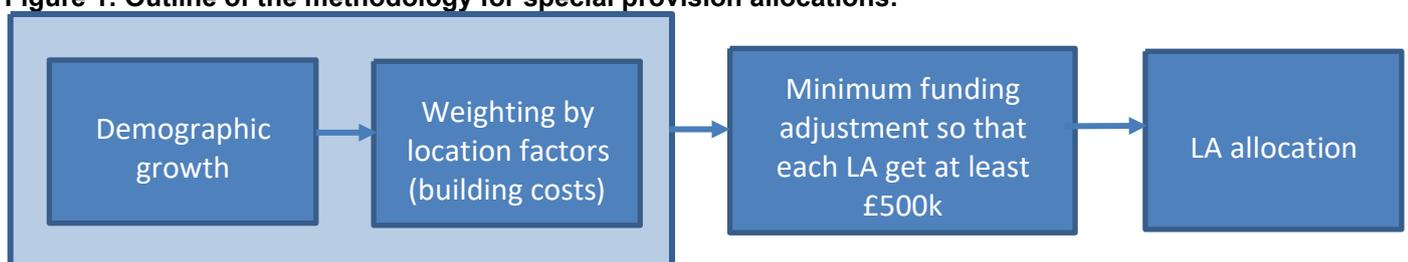


Figure 2: Methodology for uplifting the special provision allocations:

Meeting local need

These allocations will support local authorities to create new places and improve facilities at existing schools. This funding is primarily intended to develop provision for pupils with more complex special educational needs (i.e. an EHC plan or a statement of special educational needs) in mainstream and/or special schools. However, local authorities are free to spend the fund on other education based provision for children and young people aged from 0 to 25 where this meets local needs, such as early years settings or further education colleges.

Local authorities have a statutory duty to ensure that there is a school place available for every child. The Children and Families Act 2014 requires local authorities to keep the provision for children and young people with SEN and disabilities under review (including its sufficiency), working with parents, young people, and providers. In this context local authorities will wish to consider how best to use their capital allocation from the special provision fund to support them to meet local need. We expect local authorities to plan and make decisions in consultation with local stakeholders. Engagement with parents and young people is crucial and local authorities should consult with parent carer forums, to ensure that the range and quality of provision reflects the needs and aspirations of children and young people in the area. Ahead of receiving this funding, we asked local authorities to complete and publish a concise plan to show how they would invest their share of the fund on their local offer page, and we are now asking them to refresh that plan to receive the additional funding announced in May and December 2018.

Local authorities should review and develop their local offer of special provision. A condition of receiving the additional capital funding is that authorities prepare and publish strategic plans setting out how the special educational needs of children and young people in their area should be met and, in particular, how the special provision capital fund will be used in accordance with the overall strategic plans that authorities have drawn up. We provided £23 million of additional revenue funding in 2016-17 to increase local authorities' capacity to undertake this strategic review and planning activity, in consultation with schools, colleges and other providers, and with local parents and young people.