



Education
Funding
Agency

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To all Directors of Children's Services

October 2013

Dear Colleague,

High needs funding arrangements for 5-25 year olds in the academic year 2014 to 2015

I am writing to set out information on high needs funding for the academic year 2014 to 2015. I am asking you to return by 23 December the high needs template, setting out your place numbers by institution for that year. I am also asking you to return by 23 December any submission to support an increase in numbers, or to seek to retain funding where there is a drop in numbers.

I would like to thank you and your staff for the new and challenging work with institutions to finalise placements and the associated top-up funding for the academic year 2013 to 2014. We will publish a document by end-October that brings together the answers to questions we are often asked by local authority staff and institutions on this process. We will also publish post 16 allocated high needs place numbers at institution level for the academic year 2013 to 2014, broken down by the local authorities that commissioned those places. This will assist local authorities when collaborating in preparation for academic year 2014 to 2015. A link will be available in due course via our e-bulletin.

I would like to encourage you to reduce administrative costs, particularly for institutions with students from multiple local authority areas, through adopting common commissioning approaches with neighbouring local authorities and using the model contracts for high needs learners in specialist and mainstream schools and colleges. The contracts have been developed by the Local Government Association and the provider associations following consultation and are available on the [Association of Directors of Children's Services website](#).

For the academic year 2015 to 2016 we intend to move to a system which bases place-funding for institutions on the most recent actual numbers available from census and ILR data. There will still be scope on an exceptional basis to adjust numbers in respect of evidenced demographic or structural changes, driven by local authorities' commissioning plans, or the opening or closure of institutions. For that year we will therefore no longer require local authorities to submit a template containing place numbers broken down at institution level.

For the academic year 2014 to 2015 we do not have a comprehensive set of data from previous years to base allocations solely on historic data and as such this will be a second transitional year for the new funding system. We therefore need to ask you for two key pieces of information – the numbers of places by institution you have commissioned for the academic year 2013 to 2014 and your place numbers by institution for 2014 to 2015.

Finance and special educational needs (SEN) colleagues at your local authority were sent the templates to return high needs place numbers for the academic year 2014 to 2015 on 4 October. We will re-issue the high needs template at the end of November to include data showing your local authority's actual post 16 student numbers by institution for the academic year 2012 to 2013. You will want to take this data into account when confirming place numbers for 2014 to 2015. We would expect place numbers for 2014 to 2015 to be closely based on the actual numbers of places by institution commissioned for the current year 2013 to 2014, not least because of the numbers of continuing students.

To test for accuracy and fairness we will scrutinise each local authority's place numbers for 2014 to 2015 against the actual numbers for 2012 to 2013, the allocated numbers for 2013 to 2014, and your statements on actual numbers for 2013 to 2014.

To improve our implementation of the high needs funding arrangements for 2014 to 2015 we have:

- Consulted a stakeholder group of local authorities, institutions and learner representative groups on our detailed plans and tested with authorities the templates we are asking you to return by 23 December;
- Issued in June and July early information about the [2014 to 2015 high needs funding arrangements](#);
- Re-issued academic year 2013 to 2014 allocations data to local authorities and institutions to support local authorities' reviews of their high needs places; and
- Planned briefings in October and November for local authorities and institutions on the high needs arrangements.

The remaining next steps are:

- We will publish by early November the criteria we will use for considering any submissions from local authorities for increases in place funding or to retain DSG where place numbers fall;
- We will announce by 20 December initial allocations of the high needs element of the DSG to all local authorities. We will take into account new data we will have on numbers and spend in the academic year 2012 to 2013. These allocations will be indicative only;

- We will finalise by end March allocations of place-funding for 2014 to 2015 for institutions based on the data in local authorities templates, taking into account any representations from institutions; and
- We will publish by end March final DSG high needs allocations for 2014 to 2015 taking into account the completed templates and any accompanying submissions.

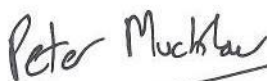
The total national high needs budget for the financial year 2014 to 2015 has yet to be agreed and we are working on the expectation that resources will continue to be tight and increases in some allocations will need to be balanced by reductions in others.

In making arrangements for 2014 to 2015 and beyond, local authorities will wish to take account of the forthcoming changes to the special educational needs (SEN) system. Subject to Parliamentary approval, from September 2014 the current system of SEN statements and post-16 Learning Difficulty Assessments will be replaced with integrated Education, Health and Care Plans, a single system of support from 0-25. Local authorities will publish their local offer of services to support children and young people with SEN, reflecting joint commissioning and delivery across education, health and social care. Local authorities will be working with partners to prepare for implementation of the reforms. I encourage local authorities to refer, and respond to, our draft Code of Practice, draft Regulations and proposals for transition which were published for [consultation today](#).

If you have any queries on the templates you have received, please contact the mailbox address provided in the template.

I hope this letter assists you in your high needs planning.

Yours faithfully,



Peter Mucklow

PETER MUCKLOW