



High Needs Provision Capital Allocations: Explanatory Note

Overview of Methodology

In March 2024, the Department for Education announced High Needs Provision Capital Allocations (HNPCA) for financial years (FYs) 2023-24 and 2024-25. HNPCA is paid to local authorities (LAs) to support the provision of places for children and young people (CYP) with special educational needs and disabilities (SEND) and those pupils requiring alternative provision (AP).

The grant funding amounts to £844m with £600m allocated for 2023-24 and £244m for FY 2024-25. Of this:

- 50% of the available funding is distributed in proportion to LAs' population (as determined by the School Census) and;
- The remaining 50% of the available funding is distributed in proportion to LAs' population, weighted to reflect LAs' pupil to capacity ratio for pupils in specialist provision

2023 marked the first year in which the SCAP data collection was expanded to include special schools. Using this new data return, we have determined an estimate of the total pupil to capacity ratio in each LA by dividing the number of pupils with an EHCP in a specialist place by the specialist capacity.

This £844m funding also includes funding to support local authorities to meet the costs associated with improved sustainability standards, including considerations relating to buildings that are net zero carbon in operation and with additional climate resilience measures. This is distributed as an integral part of allocations in line with the methodology outlined in this note.

This methodology is specific to allocations published on 25 March for 2023-24 and 2024-25, and this explanatory note should not be taken as an indication of any future methodology or approach to high needs capital funding.

Allocations for FY 2023-24 and 2024-25

On 25 March, the Department for Education published £844m of HNPCA for 2023-24 and 2024-25. This funding is to support LAs to deliver new places for AY 2025/26 and to

improve existing provision for CYP with SEND or who require AP. This funding forms part of the £2.6 billion we are investing between 2022 and 2025.

To calculate the distribution of the funding across LAs, we use a combination of estimated total pupil to capacity ratio and population size.

1. Estimating population size:

Using the January 2023 school census, we sum the total number of pupils from year R to year 11 inclusive to give us a comparable population size for each LA.

2. Estimating a total pupil to capacity ratio in High Needs Provision

We use 2 data sources to estimate the total pupil to capacity ratio in each LA:

- The number of CYP currently educated in specialist places is taken from the 2023 Special Educational Needs survey (SEN2) where CYP aged 4 to 19 inclusive and attending a special school, SEN Unit or resourced provision within mainstream schools or AP/PRU.
- The capacity of special schools and SEN units or resourced provision within mainstream as reported in [SCAP 2023](#).

For each LA, we divide the SEN2 total by the capacity total to give us ratio of pupils: capacity.

3. Calculating the ‘population’ component

For each LA, we weight the population by the appropriate location factor. We then calculate the England weighted population.

For each LA, their total population component is:

- $\text{Weighted LA population} / \text{Weighted England population} \times £422\text{m}$

4. Calculating the capacity component

For each LA, we take the location weighted population from step 3 and weight according to the pupils:capacity ratio calculated in step 2.

The ratios are split into quartiles, where the weightings in each quartile are set as follows:

- 1 for the smallest ratios
- 2 for the next smallest group
- 3 for the next smallest group
- 4 for the group of largest ratios

We sum the ratio weighted population to get the England total. For each LA, their total capacity component is:

$$\text{Ratio weighted LA population} / \text{Ratio weighted England population} \times \text{£422m}$$

5. Applying the funding floor

For each LA, the population and capacity components are added together to calculate an initial allocation. Where this initial allocation is below the specified funding floor of £500k, that LA's allocation is uplifted to the £500k funding floor level using funding from the 'population' component. The total amount of available 'population' funding is then adjusted accordingly and remaining LAs' population component in that year recalculated using their revised share of the new total weighted size. This process is repeated until all LAs receive an allocation of £500k or more in each year.

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