



High Needs Provision Capital Allocations: Explanatory Note

Overview of Methodology

In December 2024, the Secretary of State announced £740m for High Needs Provision Capital Allocations (HNPCA) for 2025-26. 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).

Of the available funding:

- 50% is distributed in proportion to LAs' population (as determined by the School Census) and;
- The remaining 50% 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 data return again in 2024, we have determined an estimate of the total pupil to capacity ratio in each LA by dividing the number of pupils with an Education, Health and Care Plan (EHCP) in a specialist place by the specialist capacity.

This methodology is specific to allocations published on 27 March 2025 for 2025-26, 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 2025-26

On 27 March, the Department for Education published £738m of HNPCA for 2025-26. This funding is to support LAs to deliver new places for AY 2026/27 and to improve existing provision for CYP with SEND or who require AP.

The funding can be used to adapt classrooms to be more accessible for children with SEND, to create specialist facilities within mainstream schools that can deliver more intensive support adapted to suit the pupils' needs, and to create special school places for pupils with the most complex needs.

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 2024 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 2024 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 2024.

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:

- $\text{Weighted LA population} / \text{Weighted England population} \times \text{£369m}$

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:

- $\text{Ratio weighted LA population} / \text{Ratio weighted England population} \times \text{£369m}$

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. For 2025-26, all LAs were above this floor except for the Isles of Scilly and City of London which are significantly smaller. The department is still working with these LAs to agree their need for additional high needs capital.