



Department  
for Education

# High needs provision capital allocations guidance

March 2024

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## Summary

This publication provides non-statutory guidance from the Department for Education.

The Education Act 1996 sets out a statutory duty on local authorities to secure sufficient school places, which they must do with regard to securing special educational provision for pupils 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 local authorities 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 Local authorities to fulfil these duties and in October 2021 announced that it was investing £2.6bn between 2022 and 2025 to support local authorities 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 that require alternative provision. Collectively, we refer to provision for these individuals as 'high needs' provision. In March 2022, we announced the first two years of High Needs Provision Capital Allocations (HNCPA), covering financial years 2022-23 and 2023-24, amounting to over £1.4bn of new investment in 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 alternative provision free schools to help drive up standards in special education.

As of March 2024, we have announced the final tranche of funding from the £2.6bn: £844m for 2023-24 and 2024-25. It is to this HNCPA grant funding that this guidance relates.

HNCPA funding is allocated to local authorities proportionally. Changes have been made to the methodology for the latest round of allocations. A proportion of the available funding (50%) is distributed to Local authorities based on their size; the remaining proportion of the available funding (50%) is distributed in line with the relative pupils to capacity ratio based on newly data collected through the School Capacity Survey. Further detail on the methodology and data used to calculate these allocations, and the rationale for this change, is available in our separate explanatory note which can be accessed on [GOV.UK](https://www.gov.uk).

The funding is un-ringfenced (subject to certain conditions, as set out in the published Grant Determination Letter) and it is ultimately for local authorities 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 HNCPA funding. This guidance sets out:

- the intended purpose of this funding
- issues that local authorities should consider to ensure that they achieve best outcomes
- details of the assurance arrangements attached to this funding

## **Who this publication is for**

This guidance is for:

- local authorities
- school leaders, school staff and governing bodies in all maintained schools, academies (including free schools), and staff and leadership of any other institutions who may benefit from this funding

## **Document history**

This guidance is specific to the additional HNPCA for 2023-24 and the HNPCA for 2024-25.

We have yet to announce details of funding for any years beyond 2024-25 and this guidance should not be taken as an indication of any future funding, methodology, or any approach to high needs capital funding the DfE may take in future.

## Intended purpose of this funding

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)<sup>1</sup>.

Whilst it is ultimately up to local authorities to determine how to best prioritise this funding to address local priorities, we want to work alongside them to reform the current system and achieve our shared endeavour to secure a financially sustainable high needs system. The SEND Improvement Plan will be the vehicle for some of these changes although with the increased level of capital investment being made available, we also expect local authorities to have had a keen eye on the efficiencies that need to be made by 2025 and to invest their capital allocations accordingly. 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 SEND pupils without an EHCP;
- children and young people who require AP (including children in AP settings without an EHCP).

Whilst the funding is predominantly intended for school aged children, local authorities are free to choose to spend it across the 0-25 age range, including in dedicated post-16 institutions or other FE settings.

We recognise that ensuring the sufficiency of high needs provision can also require local authorities to adapt, re-model or improve existing provision to make it appropriate or suitable for a different or wider set of pupil needs. Accordingly, HNPCA funding includes an element specifically intended to support local authorities to invest in suitability and/or accessibility projects<sup>2</sup> where this may be appropriate. The balance between investment in

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

<sup>2</sup> Suitability/Accessibility work does not refer to routine maintenance or refurbishment required primarily as a result of building condition. Local authorities 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).

new places versus remodelling or re-provision of existing places, will differ from local authority to local authority and will depend on local circumstances. Therefore we are not setting out a central recommendation on how local authorities should apportion their funding between these objectives. It will be for local authorities to determine how to best prioritise their available funding to address their local priorities.

## Suggested types of work

We strongly encourage local authorities to spend this funding in ways that increase the number of places available for pupils and students with high needs and/or adapt and improve facilities to expand their use or make them available to a wider range of needs. In doing so, local authorities 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](#)<sup>3</sup>. In particular, local authorities should consider prioritising projects that increase available placements for pupils with EHCPs in mainstream settings (i.e. new SEN units or resourced provision) as this both supports efforts to make education more inclusive for children and young people with SEND and often offers better overall value for money.

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

- projects that enable and/or increase access to mainstream placements for pupils with high needs (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 with large associated transport or residential costs, and/or reduce reliance on 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 pupil 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 units in mainstream settings or via the creation of new settings.

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

- Re-purposing areas so that they better meet the needs of pupils with SEND.
- Investment in accessibility to improve access to existing provision for a wider range of pupils.
- Other capital transactions that result in new (additional) places or improvements to facilities.
- Investing in provision located in another local authority where this supports good outcomes for children for which the local authority remains responsible.

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 special provision that helps children attend school in the local area, and gain independence within their local community.
- Supporting or contributing to the cost of creating a whole new special school (via the 'free school presumption' process ).
- Setting up a new learning kitchen or workshop to teach pupils the skills they need to be independent in adulthood and skills that can support them in employment.

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 (FE) college
- Sixth form college
- University Technical College (UTC)

**Special unit or resourced provision, including:**

- Special unit / resourced provision at a mainstream school or academy (including free schools, faith schools and grammar schools)
- Special unit / resourced provision at a sixth form college
- Special provision provided by a further education (FE) 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 (local authority maintained)
- Reception or early years provision within a school or academy

**Other provision:**

- Any other education provision that is attended by pupils with SEND aged between 0 and 25 or who require alternative provision and not otherwise covered. Local authorities should provide further details when they return their grant assurance data return.

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

When expanding existing provision, local authorities 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 local authorities 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, local authorities might choose to spend this funding on capital installations such as ceiling hoists for lifting non-ambulant children into, for example, a hydrotherapy pool.
- Maintenance work, 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 local authorities will think strategically and consider economies of scale or efficiencies that may be achieved. For example, combining condition works and expansion schemes, including as part of decisions taken in concert with other responsible bodies around use of the CIF, SCA, and the School Rebuilding Programme (where the department will be happy to discuss the potential for synergies with those local authorities involved).

The [SEND and AP improvement plan](#)<sup>4</sup> sets out how new Local SEND and AP partnerships will bring together delivery partners across local systems to strategically plan and commission support for children and young people with SEND and in alternative provision. Partnerships will be expected to co-produce a Local Area Inclusion Plan (LAIP) based on robust evidence that will explain how the needs of children and young people aged 0-25 in the area will be met.

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, local authorities should think about whether the works and services they are going to buy, or the way they are going to buy them, could secure such benefits for their area or stakeholders. In addition to local social value priorities, local authorities should consider the themes and policy outcomes in the Social Value Model. Further guidance is available at [GOV.UK](#)<sup>5</sup>.

Developer contributions are also an important way of helping to meet demand for new school places when future 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 local authority 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

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<sup>4</sup> [SEND and alternative provision improvement plan - GOV.UK \(www.gov.uk\)](#)

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

developers. Guidance for local authorities on securing developer contributions for education is published at [GOV.UK](https://www.gov.uk)<sup>6</sup>.

There are also specific conditions of grant attached to the HNPCA obligating local authorities to ensure any funding paid out under this grant is spent efficiently. The department expects local authorities 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](https://www.gov.uk/government/publications/school-buildings-construction-framework-2021)<sup>7</sup> and its Modern Methods of Construction ([MMC](https://www.gov.uk/government/publications/offsite-construction-framework-modern-methods-of-construction))<sup>8</sup> Framework where these are likely to deliver overall savings and advantages. A local authority should encourage academy trusts and other responsible bodies to do the same, should they be procuring a construction project directly.

Local authorities 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 local authorities to keep their strategic plans for special educational provision under review, so local authorities should therefore consider how to best invest their HNPCA to improve their local offer. All local authorities should also consider completing a [DSG management plan template](#) 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 local authorities achieve the sustainability and design standards required to achieve net zero, HNPCA includes an uplift to support local authorities with the additional costs associated with net zero construction.

We strongly encourage local authorities, in developing their local capital plans to refer to the DfE's updated [School Output Specification 2021](https://www.gov.uk/government/publications/school-buildings-construction-framework-2021). 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 requirements relating to sustainability for school buildings and grounds. Even if local authorities 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 local authorities' chosen delivery route, when planning for the use of HNPCA, local authorities should ensure they are considering environmental

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

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

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

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, we expect local authorities 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 local authorities ensure that services will meet the needs of children and families. Local authorities should also consider how they can collaborate with other local authorities to form partnerships to work effectively across local borders.

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

## Payments and assurance arrangements

Further funding for FY 2023-24 will be paid to local authorities in one instalment in March 2024, recognising work already underway and delivered to date. We expect funding for FY 2024-25 to be paid in summer 2024. Local authorities 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 previous HNPCA funding, we are also asking local authorities 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. An updated template will be published on [GOV.UK](https://www.gov.uk). To capture the full impact of this funding, local authorities should endeavour to include in their returns any projects receiving funding from 2022-2025. In addition, if projects benefitting from 2021-22 HNPCA funding have yet to be completed by the time of the data return, local authorities should also include these projects as well.

Local authorities should return their completed templates to the department by **1<sup>st</sup> October 2024** by emailing the completed template to: [capital.allocations@education.gov.uk](mailto:capital.allocations@education.gov.uk).

Local authorities are not required to publish these returns on their websites, but we would strongly encourage them to consider doing so to aid local transparency.

We recognise that not all HNPCA funding may be committed by the 1<sup>st</sup> October 2024, and therefore the template includes space for local authorities to record funding that is

not currently committed to a project. We would however encourage all local authorities 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), local authorities should consider whether they can instead provide indicative figures or generic information (i.e. a plan to create a new SEN unit in an unidentified local secondary, pending conclusion of local consultation etc.). If local authorities have any queries or concerns about the information requested, they can contact us at [capital.allocations@education.gov.uk](mailto:capital.allocations@education.gov.uk) for further information or guidance.

In due course, we will also ask local authorities to provide details on their final expenditure of 2024-25 HNPCA through the Capital Spend Survey (CSS).

## Timeline

The timeline local authorities can expect:

- Local authorities will receive payment for their final FY 2023-24 HNPCA grant in March 2024
- Local authorities will receive payment for their FY 2024-25 HNPCA grant in summer 2024
- Local authorities should complete their assurance data return template and return to [capital.allocations@education.gov.uk](mailto:capital.allocations@education.gov.uk) by 1 October 2024

If you any queries relating to this guidance, or any other aspect of High Needs Provision Capital Allocations, please contact [capital.allocations@education.gov.uk](mailto:capital.allocations@education.gov.uk)



Department  
for Education

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