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Director of Children's Services  
[Sent electronically]

25 February 2021

## **HIGH NEEDS PROVISION CAPITAL ALLOCATIONS**

Dear Colleagues

In November 2020, we announced we would allocate [£300 million in 2021-22 for new school places for children with special educational needs and disabilities](#), almost four times as much as the government provided to local authorities (LAs) in 2020-21. I am now pleased to be able to confirm further details of how this funding will be distributed to the sector.

I can today confirm that £280 million will be allocated to LAs through formulaic allocations which we aim to announce this Spring. These allocations are intended to support local authorities to deliver new places and improve existing provision for children with SEND and for those pupils that require alternative provision. This funding will support the provision of places needed by September 2022. It will be allocated proportionally, based on each local authority's estimated share of future growth in the High Needs pupil population – using a combination of ONS population projections and national data on Education Health and Care Plans (EHCPs), as well as data on funding already being provided in the form of new Special and AP Free Schools. A minimum funding floor will ensure every LA receives at least £500k. We anticipate paying the resulting grants to LAs in the summer. Further details regarding the methodology used to calculate the allocations, payment dates and associated conditions of grant will be released alongside the allocations.

The remaining £20 million will be used for specific High Needs capital projects in support of ongoing work with some of the local authorities facing high Dedicated Schools Grant (DSG) deficits. We have already been in contact with the LAs who will be eligible for this funding.

Local authorities should note these funding allocations and methodology only cover the financial year 2021-22 and may be subject to change in future years. Future funding, and any future allocation methodology, will be subject to the outcomes of the next Spending Review.

As per my letter in January regarding the Basic Need capital allocations, in planning capital projects, we expect that local authorities will think strategically and consider economies of scale or efficiencies that may be achieved through, for example, combining condition works and expansion schemes, including as part of decisions taken in concert with other responsible bodies.

Finally, you may recall that in April 2020, in order to reduce burdens on LAs during the coronavirus pandemic, the DfE relaxed the requirement on LAs to publish updates to their local plans – a requirement attached to the previous [Special Provision Capital Fund](#) (which provided funding between 2018 and 2021 for new places and to improve existing provision for pupils with EHCPs). I would like to take this opportunity to inform you that, as per our original [guidance](#), we would now like you to undertake a final update of your published local plans, setting out how this funding was used. Further details, including revised deadlines for making this update, will be published alongside the allocations mentioned above.

I hope this additional information is helpful as you continue to plan school capital projects.

A handwritten signature in black ink that reads "ER Berridge". The signature is written in a cursive style with a long horizontal line extending from the bottom of the name.

**ELIZABETH BERRIDGE**

**PARLIAMENTARY UNDER SECRETARY OF STATE**