



Department
for Education

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Department for Education
Sanctuary Buildings
Great Smith Street
London SW13BT

Tel: 0370 000 2288

www.gov.uk/dfes

Email enquiry form:

www.education.gov.uk/contactus/dfes

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Dear colleague

Process for allocating place funding to non-maintained special schools and special post-16 institutions in 2016 to 2017

This letter presents options under consideration for calculating non-maintained special school (NMSS) and special post-16 institution (SPI) high needs place funding allocations for 2016 to 2017. Special schools receive £10,000 per place and SPIs receive an allocation determined by the national post-16 formula (element 1) and £6,000 per high needs place (element 2). We do not propose any changes to these rates for 2016 to 2017.

The high needs funding paragraphs (87 to 94) in the [schools revenue funding 2016 to 2017 operational guide](#), published in July 2015, set out the basis on which high needs funding allocations would be calculated for next year. The guidance explained why we were not giving the opportunity for local authorities to apply for additional funding, but that they had flexibility to make changes to the number of places funded in schools, academies and colleges within their overall high needs allocation.

As was the case last year, we are not expecting local authorities to co-ordinate place number changes in NMSSs or SPIs, as they typically have smaller numbers of placements from a larger number of local authorities than maintained schools, academies and FE colleges. We are therefore considering how best to calculate the place funding for these institutions, have identified two options, and would welcome your views on which of these you would prefer. Please send your responses to highneeds.EFA@education.gsi.gov.uk by Friday 23 October 2015.

We intend to adopt a common approach for all NMSSs and SPIs. We will therefore be adopting either option 1 or option 2 for all relevant institutions.

Option 1

For NMSSs we would use the pupil number information from the [January 2015 school census](#), and for SPIs we would use the student number data from the individualised learner record (ILR R14) for the 2014 to 2015 academic year.

We will need to do a few more checks to confirm that this is the most appropriate pupil data set to use¹.

We have also published the [R10 ILR data from SPIs](#) but would expect to use the final R14 returns when they become available at a later stage to provide the basis for calculating the number of funded element 2 places (element 1 will continue to be funded on in-year data, so for academic year 2016 to 2017, this would be based upon the 2015 to 2016 R04 return). We think that in most cases these numbers from the last 2014 to 2015 academic year will provide a reasonable basis for calculating the element 2 place funding, whilst accepting that they will not reflect the latest actual pupil and student number changes or what the actual numbers might be in 2016 to 2017. Because of such changes we would never expect there to be a perfect match between places and actual pupils and students: place funding is intended to provide stability of funding from year to year rather than to precisely reflect the number of pupils and students present at any one time.

Option 2

Under this option, we would simply use the same academic year numbers as are being used for allocations of place funding in 2015 to 2016 to calculate place numbers for NMSSs and element 2 numbers for SPIs. We would include any adjustments already made as a result of the exceptional cases considered last year, but no other changes would be made. The advantage of this approach is that schools and institutions would have stability of funding from this year to next year although, again, there would not necessarily be a perfect match between actual pupil or student numbers and funded places.

We have some preference for using option 1, since we think that this would provide a more sustainable basis for allocating place funding in future years, but we will take account of the responses to this consultation before making a decision.

Next steps

Responses to this letter should be sent to highneeds.efa@education.gsi.gov.uk by **Friday 23 October 2015**.

We will make a final decision on the basis for these allocations in January 2016, having taken into account: responses to this letter; some further analysis of the relevant data; the impact of any changes to element 1 and the removal of any transitional protection (for SPIs); and the outcome of the spending review.

¹ For example, we will want to make sure that the data set does not include too many pupils from overseas or elsewhere who are privately funded.