



Education  
Funding  
Agency

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Ms S Robinson  
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28 March 2013

Dear Sally

**Sufficient evidence to support BOTH a full or partial increase in HNS  
Places and unit costs**

Thank you for submitting a request for a post 16 High Needs Students (HNS) budget review. The scope of the review considered any disproportionate effects that the new HNS funding methodology may have inadvertently created and considered information not available in December 2012 when the Dedicated Schools Grant was calculated.

A full review of your case indicates that you are requesting an increase in the number of HNS places we are funding for the period August 2013 to March 2014. Your case has been assessed against a set of criteria that we have applied to all requests for a review from a Local Authority (LA) based on that local authority's view of an increase in HNS places and unit costs for these places.

The criteria are that for an increase in student numbers the LA can:

- demonstrate a clear trend of increased high need from pre 16 through to post 16 evidenced by published data or where the data does not demonstrate an increase in the number of Statements of Special Educational Needs other evidence is provided;
- provide evidence that the proposed post 16 students were attracting high costs (ie learning costing over £10k per student place) in pre 16 education;

- provide evidence of any increase in HNS places in 2012/13 including which institutions the students are now with;
- provide data to support an increase in the numbers in learning taking into account continuing students, new starts and leavers;
- demonstrate that where the increase is due to new provision, reorganisation or movement between institutions (ie from special schools to colleges), displacement from other provision has been identified;
- demonstrate that the same volumes have not already attracted additional Dedicated Schools Grant (DSG) funding;
- demonstrate that the volumes are not currently funded through any form of cross subsidy.

The criteria are that for an increase in unit costs the LA can:

- demonstrate that the request does not relate to a previous cross subsidy from a) within the DSG or b) from within the LA or c) from other agencies – evidence of the level of any previous cross subsidy and a commitment to this continuing is required;
- explain any increase in costs as the EFA will take into account the funding available to the LA per HNS for Element 3;
- demonstrate that the calculations are for the 8 month period August 2013 to Mar 2014 only and that the full funding (ie Elements 1,2 and 3) have been properly taken into account;
- demonstrate that where a dip in funding is reported for 2011/12 then this is evidenced by increased costs in 2010/11 and 2012/13;
- demonstrate that where a spike in funding is reported for 2013/14 this is clearly stated and supported by the reason and an understanding that this will not be consolidated.

In the submissions we received, Local Authorities (LAs) used a variety of methodologies to estimate the additional costs. In fairness to all LAs, we have used the LA's own average unit cost when calculating any increase in funding for an increased number of high needs student places. If this resulting amount should exceed the national average rate of £8,095, we have then limited the increase to £8,095. The calculation for this element is contained in the footnote below<sup>1</sup>.

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<sup>1</sup>Additional High Needs Student number places have been funded at the Local Authority's own average Element 3 per High Needs Students plus £4,000 for 8 months of Element 2. Should this amount exceed the national average rate (of £8,095), we have applied this national average rate.

**Agreed both:**

I am pleased to say that you have provided sufficient information, data or evidence for the EFA to agree to an increase in unit costs and HNS places.

I can therefore confirm that your revised unit cost rate has been increased from **£6,800** to **£8,095** meaning an increase of **£1,295** per high needs student.

I can also confirm that:

- your request for an increase in the number of High Needs Student places has been **fully met**;
- your evidenced High Needs Student numbers have been confirmed as **25** multiplied by your increased average unit cost @ **£8,095**, which equals an increase of **£322,810**;


In the case of the above outcomes for your Local Authority, your revised DSG has increased to **£729,815**.

Please note that this additional funding is not guaranteed beyond the 2013/14 financial year.

We shall be updating the published DSG figures for all LAs shortly and will notify you once this is done.

Should you have any questions on the process please do not hesitate to contact [ypnorthern.efa@education.gsi.gov.uk](mailto:ypnorthern.efa@education.gsi.gov.uk).

Yours sincerely



Dorothy Smith  
Director of Young People - North