

Date of meeting:	Thursday 11 November 2021
Title of report:	2022/23 Special Schools & Academies Funding Consultation Results
Type of report: Delete as required	For comment
Executive summary: Including reason for submission	This report provides the results of the 2022/23 Special Schools and Academies Funding Consultation that ran from 22nd September to 22nd October 2021. The report requests the Schools Forum to comment on the consultation response received in relation to the level of the Special School Minimum Funding Guarantee.
Budget / Risk implications:	Individual special school budget levels for the 2022/23 financial year.
Recommendations:	Following the consultation with all special schools and academies in North Yorkshire, the Forum is asked to comment on the outcome of the consultation. The views of the Schools Forum will be submitted as part of the approval request to the Executive in January 2022.
Voting requirements:	N/A
Appendices:	Appendix 1 – Additional comments provided in special school / academy Consultation responses.
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**2022-23 Special School & Academy Funding
Consultation****1.0 PURPOSE OF THE REPORT**

- 1.1 This report provides an overview of the results and responses received from special schools and academies to the 2022/23 Special School Funding Consultation.
- 1.2 The Schools Forum is asked to consider the results of the Consultation and the responses received.

2.0 BACKGROUND

- 2.1 Special school funding arrangements for 2022/23 will be impacted by a combination of:
- uplift factors applied to Banding allocations (for top-up funding)
 - the specific operation of the Minimum Funding Guarantee in the Special school sector at a national level, and local level.
- 2.2 Consideration of Special School funding arrangements needs to be undertaken within the context of the position on the High Needs budget remaining extremely pressured. The estimated financial pressure in 2021-22 is in the order of £2.5m that will add to the accumulated High Needs Deficit of £8.7m as at 31st March 2021. Continued prediction of increased demand pressures indicate that, other things being equal, the underlying financial pressure of £2.5m on the high Needs will continue to grow by approximately £1.5m - £2.5m in each of the next few years.
- 2.3 The High Needs Block provisional allocation for 2022-23 amounts to £68.26m. This provisional allocation is currently estimated to reduce to £61.94m after further revisions in respect of updated data on pupil numbers in special schools, the difference between the total number of high need places North Yorkshire commissions and provides, and the number of places funded directly by Education & Skills Funding Agency (ESFA). The allocation also incorporates funding for teachers' pay and teacher's pension employer contribution historic grants.
- 2.4 In the absence of future funding certainty and with growing demand pressures, the local authority have developed and implemented an ambitious Strategic Plan for SEND 0-25. An evaluation and progress update of Year 1 of the plan was published in Summer 2020. As part of the strategic plan, the local authority has taken forward a number of initiatives to improve support for SEND in the county as well as reducing the overall cost. Careful and prudent consideration of formula costs through top-up funding for EHCPs has been part of that strategy. The local authority is aware and acknowledges the financial pressure facing special schools and has sought to ensure protection and investment for the sector, balanced against the very challenging High Needs funding settlement for North Yorkshire as a whole.

3.0 BANDED FUNDING ALLOCATIONS (TOP UP ALLOCATIONS) & CONTEXTUAL FUNDING

- 3.1 It is the LA intention, subject to Executive approval, that Banded Funding allocations will increase in line with an assumed rate of inflation of 2%. The banded funding allocation reflects costs incurred beyond the Element 2 funding allocation of £6,000. Due to this figure remaining constant for the eighth year in a row, the allocations for each banding will actually increase by greater than 2% with the highest percentage

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increases applying to the lower banding allocations. The new rates of funding are detailed below. These rates will apply across all settings in receipt of top-up funding.

	Funding Rates 2021-22	Funding Rates 2022-23 (including 2% inflationary increase)
Band 3	£0	£0
Band 4	£1,430	£1,580
Band 5	£3,500	£3,690
Band 6	£5,190	£5,420
Band 7	£8,090	£8,380
Band 8	£9,720	£10,040
Band 9	£13,610	£14,010
Band 10	£20,000*	£20,000*

- 3.2 It is also the LA intention, subject to Executive approval, to increase the factor elements within the Contextual Funding by the assumed inflationary increase of 2%.
- 3.3 The assumed inflationary uplift of 2%, proposed to be applied to the banded funded rates, is also proposed to be applied to the top-up funding allocation of £8280 for alternative provision settings. This will increase the top up funding allocation for these settings to £8570 for the 2022/23 financial year, providing an overall percentage uplift of 3.5%.

4.0 MINIMUM FUNDING GUARANTEE FOR SPECIAL SCHOOLS 2022-23

- 4.1 The Minimum Funding Guarantee (MFG) is a protection for special schools against seeing a reduction in funding from year to year assuming that the number and type of places remain the same. For 2022-23 DfE has set the MFG protection level for special schools at 0% (as was the case in 2021-22) This is, however, in contrast with an MFG protection level of between +0.5% and +2% applicable for mainstream schools, and represents a funding cut in real terms due to the effect of annual inflation on costs. The Local Authority recognise the continued financial pressure experienced by Special Schools and consultation has been undertaken to consider the option of a 2% MFG for Special Schools in 2022/23 as well as the 0% level set by the DfE.
- 4.2 In terms of NYCC methodology, the minimum funding guarantee determination is actioned in January (for the following financial year) and is based on the pupil population in place at that particular point in time and compares funding allocations in the baseline funding allocation period and the future allocation period. This approach is adopted to ensure that the MFG calculation is not distorted by fluctuations in the band mix of pupils from one year to the next - in accordance with the DfE High Needs operational guidance.
- 4.3 Within the MFG determination, the comparison looks at place funding and top-up funding. It also incorporates the contextual funding component and previous year's minimum funding guarantee sum.
- 4.4. The table below provides details of the impact of the MFG funding options at individual school level:

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School	Option A 0% MFG	Option B 2% MFG
Brompton Hall	£0	£5,401
Welburn Hall	£268	£31,676
The Woodlands	£0	£18,676
The Dales	£0	£25,744
Springhead	£0	£17,675
The Forest	£0	£11,606
Springwater	£0	£28,854
Brooklands	£0	£16,550
Mowbray	£0	£31,221
Forest Moor	£153,026	£191,130
TOTAL COST	£153,294	£378,533

It needs to be noted that the final value of MFG may change significantly by the point that the actual budget determinations are made (due to changes in pupil numbers, commissioned place numbers and/or changes in the assessed needs of the pupils).

4.5 The DfE High Needs guidance makes no provision for the application of the MFG for alternative provisions.

5.0 RESULTS OF THE 2022/23 SPECIAL SCHOOLS & ACADEMIES FUNDING CONSULTATION

5.1 7 out of the 10 special school and academies within North Yorkshire have provided a response to the 2022/23 funding consultation. 1 special school provided a duplicate response and an academy trust, representing 2 of the special schools who had already responded to the consultation also provided a response. Duplicate responses have been disregarded from the consultation results, however any comments provided in these responses are detailed in Appendix 1.

5.2 The Consultation requested the views of special schools and academies on 2 options related to the level of the Minimum Funding Guarantee for 2022/23. The consultation results are detailed in the table below:

Option	MFG %	No. Responses Received Supporting Option
A	0%	1
B	2%	6
Total Responses		7

The majority of the responses received to the Consultation indicate support for a MFG of 2.0%

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A number of special schools and academies responding to the consultation also provided additional comments to support their responses. These comments are detailed in **Appendix 1** to this report

6.0 RECOMMENDATIONS

- 6.1 Following the consultation with all special schools and academies in North Yorkshire, the Forum is asked to comment on the outcome of the consultation. The views of the Schools Forum will be submitted as part of the approval request to the Executive.

STUART CARLTON
Corporate Director – Children and Young People's Service

2022/23 Special School Funding Consultation – Additional Comments

School Type	Comment
LA Maintained Special School	Having a MFG percentage puts special schools in line with mainstream schools. We also need to consider the nature of our deficit budget and the age of the building.
Special Academy	A 2% minimum funding guarantee would provide a funding uplift that should be consistent with the majority of pupils in mainstream schools, thus ensuring equity for all children.
Special Academy	Encourage TMP (Targeted Mainstream Provision) so that Special Schools can help improve educational outcomes, increase inclusion, reduce exclusion and save NYCC money.
Special Academy	A 2% minimum funding guarantee would provide for a funding uplift that should be consistent with the majority of pupils in mainstream schools, thus ensuring equity for all children.
Academy Trust	I would support a 2% minimum guarantee in order to ensure some equity between the funding increases that will be seen in mainstream schools through the NFF and funding for the most vulnerable children in Special Schools.