NORTH YORKSHIRE SCHOOLS FORUM

Date of meeting:	Thursday 19 November 2026
Title of report:	**2027-28 School Funding: De-Delegation – Contingency Budgets**
Type of report: Delete as required	For decision
Executive summary: Including reason for submission	The report details the LA proposals for the de-delegated contingency budgets for the 2027-28 financial year.
Budget / Risk implications:	Potential risk to services and resources for schools funded from de-delegated funding from April 2027
Recommendations:	As detailed in Section 5 in relation to voting on the proposals for the continued de-delegation of the Schools in Financial Difficulty – Schools Causing Concern element, and the ceasing the de-delegation of the other Schools in Financial Difficulty financial contingency budget elements from the 2027-28 financial year and Unreasonable School Expenditure for the 2027-28 financial year
Voting requirements:	De-delegation: LA maintained primary and secondary schools only (in relevant phase)
Appendices:	N/A
Report originator and contact details:	Howard Emmett, Assistant Director – Resources Howard.Emmett@northyorks.gov.uk 01609 532118
Presenting officer: If not the originator	Sally Dunn

OFFICIAL - SENSITIVE

1.0 PURPOSE OF THE REPORT

1.1 This report presents the de-delegation proposals for the 2027-28 financial year for the de-delegated contingency budgets in relation to Schools in Financial Difficulty and Unreasonable School Expenditure. The report also provides a summary of the utilisation of the de-delegated funding over recent financial years.

1.2 The Schools Forum is asked to consider the report. Relevant phases of LA maintained schools are asked to vote on recommendations for de-delegation for the 2027-28 financial year.

2.0 BACKGROUND

2.1 De-delegation applies only to LA-maintained schools. Where services are able to be de-delegated, the budget is, technically, initially delegated to all schools and academies. Services for de-delegation then have to be approved by Schools Forum and, if approved, the funding will be removed from maintained schools' budgets before final school budgets are issued.

2.2 The amount that can be de-delegated depends on the number of academy conversions; if there are more conversions of schools to academies the total sum de-delegated will reduce.

2.3 In the 2019-20 financial year, the Schools Forum took the decision to reduce the number of budgets that were de-delegated. The contingency budgets for Schools in Financial Difficulties Funding and Unreasonable School Expenditure are currently de-delegated along with Trade Union Support for Schools (TUSfS) and School Improvement Services (de-delegated in 2022-23 as a result of the removal of the DfE School Improvement Monitoring and Brokering Grant paid to the LA). The Schools in Financial Difficulty de-delegated contingency also provides a contribution to the school compulsory redundancy costs budget. Prior to the current financial year, a shared approach to the funding of LA maintained school compulsory redundancy costs (which meet the redundancy support criteria) has been operated with a 50% funding contribution from the local authority and 50% funded from the Schools in Financial Difficulty de-delegated contingency.

2.4 Over recent years, reserve funding has been utilised to support any funding requirements in respect of School Redundancy Costs Contribution, any funding awards from the Schools in Financial Difficulty fund and the provision of any exceptional funding support in respect of unreasonable school expenditure. As previously notified to the Schools Forum, the DfE have mandated that a local authority cannot carry forward positive balances on the other non-High Needs Dedicated Schools Grant (DSG) blocks if the whole DSG account is in deficit at the end of the year. In this respect, no funding reserve was able to be carried forward for the de-delegated reserves on the Schools Block DSG at the end of the 2025-26 financial year.

2.5 LA services and contingencies funded from de-delegated funding are available to local authority-maintained nursery schools, special schools and PRS on an annual buy back basis.

OFFICIAL - SENSITIVE

2.6 Given the DfE announcement that there will be no major changes to the School NFF for the 2027-28 financial year, the working assumption is that de-delegation of services will continue to be allowed for 2027-28. School's Forum members for primary maintained schools and secondary maintained schools must decide separately for each phase whether the service/contingency should be provided centrally; the decision will apply to all mainstream schools in that phase and will be voted on by the relevant maintained school members of the Forum only.

2.7 The services and amounts de-delegated in 2026-27 in relation to the Schools in Financial Difficulty – Schools Causing Concern, Trade Union Support for Schools and School Improvement – Core Service, total £975k, and included:

	£k	£/pupil
Schools in Financial Difficulty – Schools Causing Concern Contingency	211	£7.51
Trade Union Services	126	£4.46
School Improvement – Core Service	638	Lump Sum £3,360/School +£2.47/primary pupil & £3.00 / secondary pupil
TOTAL	**975**	

3.0 SCHOOLS IN FINANCIAL DIFFICULTY CONTINGENCY

3.1 The Schools in Financial Difficulty Contingency is available to support schools that have failed an Ofsted Inspection, are at risk of failing an Ofsted Inspection or have other serious issues that would impact on the education of the children and young people attending the school and will cause pressures on school budgets and financial difficulties. Support is not available to schools facing budget and structural difficulties that would not ordinarily impact on standards. To date North Yorkshire Council has operated three specific elements to the Contingency:

- Schools in Financial Difficulty
- Schools Causing Concern
- Redundancy Support Costs Contribution

3.2 Schools in Financial Difficulty provides actual cash allocations to support schools who meet the criteria of the Fund. In order to be considered for financial support the school needs to have prepared a budget recovery plan that demonstrates a move back into a balanced budget position and how an allocation from the Fund would contribute to the achievement of this. No funding awards have been made from the Schools in Financial Difficulty Fund since the 2022-23 financial year. Having regard to the limited usage of the Fund, and that any future funding provision would require a de-delegated funding contribution from school budgets, the Local Authority proposes to cease de-delegation for the financial awards element of the Schools in Financial Difficulty Contingency for the 2027-28 financial year.

3.3 The Schools Causing Concern element is used primarily by the School Improvement Service, to support schools that require enhanced monitoring, challenge and support to stabilise and/or build capacity to mitigate risks to the education outcomes of children and young people. Most of the funding goes to schools that are risk assessed as high

OFFICIAL - SENSITIVE

priority. It is increasingly the case that many of these schools have budgetary issues and have actual or forecast deficits which hamper the schools' capacity for rapid improvement without this support. If an intervention is needed to support the school in the short term to increase the capacity for rapid improvement, and the school's budget is one of its issues, the Schools Causing Concern fund may be used to fund part or all of the intervention/s. All support for schools from the LA is detailed in a support plan, drawn up by school improvement advisers in collaboration with the school and any other partner providers, and reviewed at regular intervals. Costings for support, and where the funding will come from, are detailed and agreed as part of the support plan. Support provided may include additional advice and guidance from a LA school improvement adviser, school to school support and other support procured externally.

3.4 The total spend from the Schools Causing Concern budget is detailed in the tables below. **46** schools received an enhanced offer of support funded by the schools causing concern grant in 2025-26. The cost levels of the additional support are detailed below.

The services provided by Human Resources were predominately for the provision of Single Central Record Checks. The School Improvement and Professional Governance Services provided curriculum, safeguarding and governance support.

Support has been provided across the following categories:

Support Category	**Total expenditure**
School Partnership Improvement Plan priorities	£14,000
Curriculum (Reading and Maths Projects)	£9,000
Human Resources (SCR)	£15,000
Safeguarding	£17,000
Governance	£8,000
TOTAL	**£63,000**

The cost levels of the additional targeted support provided to individual schools through the School Partnership Support Plans are detailed below:

Spend per plan	**Total expenditure**	**Number of schools**
£1 to £1,000	£9,000	24
£1,001 to £5,000	£5,000	1
£5,001 to £10,000		
£10,001 or greater		
TOTAL	**£14,000**	**25**

3.5 Previously the local authority has adopted a shared cost approach for LA maintained school compulsory redundancy costs (which meet the redundancy support criteria). A £125k funding contribution was provided from the Redundancy Support Costs element of the Schools in Financial Difficulty de-delegated contingency fund towards LA maintained school compulsory redundancy costs. Having regard to the level of the funding contribution, and that any future funding provision would require a de-

OFFICIAL - SENSITIVE

delegated funding contribution from school budgets, the Local Authority proposes to cease de-delegation of the Redundancy Support Costs element of the Schools in Financial Difficulty Contingency for the 2027-28 financial year. School compulsory redundancy costs (which meet the redundancy support criteria) for LA maintained schools will be funded from local authority budget from April 2027.

3.6 The local authority expectation is that the school support provided by the Schools Causing Concern element of Schools in Financial Difficulty de-delegated contingency will continue to be required in the 2027-28 financial year; it is proposed to de-delegate funding for this purpose for the next financial year. The School Improvement Service is required to manage pay award and inflationary cost pressures within its operations. It is considered appropriate to request a 3% funding increase to be applied to the Schools Causing Concern de-delegated funding per pupil for the 2027-28 financial year. The members of the Schools Forum representing LA maintained schools are requested to consider the following Schools in Financial Difficulty de-delegation proposals for the 2027-28 financial year:

i. To de-delegate £7.74 per pupil in respect of the Schools Causing Concern element of the Schools in Financial Difficulty delegated contingency. The requested funding amount represents a 3% increase between the 2026-27 and 2027-28 value.
ii. To cease de-delegation of the other Schools in Financial Difficulty financial contingency budget elements from the 2027-28 financial year
iii. To endorse the LA requesting LA maintained nursery schools, special schools and PRS service buyback based on the 2027-28 LA maintained school per pupil charge on a per place basis in relation to Schools Causing Concern funding.

3.7 Moving forward, an annual review will be undertaken of the elements of the Schools in Financial Difficulty contingency budget where de-delegation is proposed to be ceased for the 2027-28 financial year as to whether there is a requirement for de-delegation to be reinstated in future financial years.

4.0 UNREASONABLE SCHOOL EXPENDITURE CONTINGENCY

4.1 The Unreasonable School Expenditure budget has been available to support schools with exceptional items where it would not be reasonable to expect funding to be provided from the school budget. Over recent years funding support provided to schools has been minimal (c£8k per annum) with an average of 4 schools per year receiving support. Having regard to the usage of the contingency fund over recent years, and that any future funding provision would require a de-delegated funding contribution from school budgets, the Local Authority proposes to cease de-delegation of the Unreasonable School Expenditure Contingency budget for the 2027-28 financial year.

4.2 The members of the Forum representing LA maintained schools are asked to consider:

i. Ceasing de-delegation of the Unreasonable School Expenditure de-delegation contingency budget for the 2027-28 financial year.

OFFICIAL - SENSITIVE

4.3 Moving forward, an annual review will be undertaken of the Unreasonable School Expenditure Contingency budget where de-delegation is proposed to be ceased for the 2027-28 financial year as to whether there is a requirement for de-delegation to be reinstated in future financial years.

5.0 RECOMMENDATIONS

5.1 LA-maintained primary phase Schools Forum members are asked to vote on the de-delegation:

a. Schools in Financial Difficulty:

i. To de-delegate £7.74 in relation to the per pupil Schools Causing Concern funding for 2027-28.
ii. To cease de-delegation of the other Schools in Financial Difficulty financial contingency budget elements from the 2027-28 financial year

b. Unreasonable School Expenditure

i. To cease de-delegation of the Unreasonable School Expenditure Contingency budget for the 2027-28 financial year

5.2 LA-maintained secondary phase Schools Forum members are asked to vote on the de-delegation of:

a. Schools in Financial Difficulty:

i. To de-delegate £7.74 in relation to the per pupil Schools Causing Concern funding for 2027-28.
ii. To cease de-delegation of the other Schools in Financial Difficulty financial contingency budget elements from the 2027-28 financial year.

b. Unreasonable School Expenditure:

i. To cease de-delegation of the Unreasonable School Expenditure Contingency budget for the 2027-28 financial year

5.3 LA maintained Schools Forum members to endorse the LA requesting LA maintained nursery schools, special schools and PRS service buyback based on the 2027-28 LA maintained school per pupil charge on a per place basis in relation to Schools Causing Concern funding.

EL MAYHEW
Corporate Director – Children and Young People's Service

OFFICIAL - SENSITIVE