



NORTH YORKSHIRE SCHOOLS FORUM

Date of meeting:	Thursday, 17 September 2020
Title of report:	Special School Funding Arrangements 2021-22
Type of report: Delete as required	For discussion / information only
Executive summary: Including reason for submission	Report discusses arrangements for Special school funding for 2021-22, and specifically is seeking to provide stability in these arrangements to enable schools to develop their own three year budgets
Budget / Risk implications:	Proposals need to be considered in the context of affordability within the High Needs Budget overall and within the context of the impact on individual special school funding arrangements.
Recommendations:	To note the content of the report and the proposed developments in section 3
Voting requirements:	None
Appendices: To be attached	Not applicable
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Presenting officer: If not the originator	

1.0 PURPOSE OF THE REPORT

- 1.1 This report discusses the factors that are pertinent to the determination of Special School funding for the 2021-22 financial year and outlines the plan to consult on those funding arrangements later in the Autumn term, when we have greater clarity on the High Needs operational guidance

2.0 BACKGROUND

- 2.1 In determining Special school funding arrangements for 2021-22, the LA is keen to (a) provide an appropriate degree of protection to special schools to facilitate medium term financial planning on the part of individual schools. This has included being prepared to go further than DFE guidance in relation to the Minimum Funding Guarantee (MFG) (as evidenced in last year's determination of the Guarantee), whilst being mindful of the overall affordability to the high needs budget, and (b) to ensure that there is appropriate funding recompense for schools to admit additional pupils where that is feasible so that we can collectively achieve the best possible set of opportunities and outcomes for young people with EHCPs
- 2.2. In line with High Needs funding guidance, the local authority allocates Special school budgets on the basis of place funding (linked to discussions regarding planned Commissioned Places) and top-up funding, computed on the basis of individual pupil allocations, in line with the revised funding allocation methodology introduced in April 2019.
- 2.3 One complicating factor in providing certainty in relation to funding allocations is the 'contextual funding' component of the funding arrangements. This element of funding has been in place since the revised High needs funding arrangements were introduced; the value of allocations to individual Special schools have remained unchanged over that period despite some significant changes in pupil populations supported within the individual schools. It is also potentially a source of confusion in predicting future resource levels for Special schools. Potentially, if significant protection is to be put in place for Special schools, it is important that the formula allocations falling within the scope of that protection are appropriate to the needs of individual schools
- 2.4 One complicating factor in developing any proposals is that the DFE have not yet issued the High Needs Operational Funding guidance – but have committed to do so during Autumn 2020. The picture is more complex this year, because the guidance will describe the treatment being applied to the teacher's pay grant (TPG) and the teacher's pension employer contribution grant (TPECG).

3.0 DETAILED IMPLICATIONS

- 3.1 The challenge for all Special schools in predicting their funding allocations for subsequent years, is that these are a combination of :-
- Planned commissioned places (Place funding);
 - Top-up funding: banding rates applicable to the pupil population at the outset of the financial year
 - Top-up funding: uplifts applied to banding rates
 - Contextual funding levels

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- Whether MFG support applies and, if so, the level of local protection
- 3.2 Moreover – and in contrast to the mainstream sector – there is a greater degree of fluidity, in-year, in funding allocations, so that the initial allocations issued by the local authority in March each year are only indicative based upon the pupil population in place at that point in time.
- 3.3 In order that Special schools can begin to construct budget scenarios for future years, we can share that:
- (a) The local authority is exploring the deployment of a minimum funding guarantee factor specifically for Special schools in excess of the Government’s minimum requirement of 0%. Currently, we are assessing the implications of working with +2.0% or +4.0% as the level of the guarantee – but the final assessment will be dependent on further announcements from the DfE and an assessment of affordability within the context of the High Needs budget.
 - (b) The local authority is committed to increasing top-up funding allocations – applicable to Special schools and Mainstream settings – in line with inflation. These will be refreshed during the Autumn term and we will report the outcome of that updating process to the Schools Forum in January.
- 3.4 In terms of the contextual funding component of the formula, our assessment is that the allocations
- Potentially drive an appropriate amount of funding into the Special school sector to appropriately reflect the whole school activity / costs associated with supporting pupils with EHCPs, particularly managing admissions and the transitional arrangements at the outset of placements, and managing safe access to the site and school environment
 - Potentially are inequitable between Special schools, with the sum per pupil ranging from £500 per pupil through to nearly £6,000 per pupil.
- 3.5 In terms of developing any alternative arrangements, it is worth emphasising that the High Needs funding guidance does not permit the use of a lump sum for Special schools. Any reworking of the contextual funding allocations would be set in the context of not reducing the overall quantum of funding available to Special schools. A figure of £1,500 per pupil across all Special schools would allocate virtually the same sum as the existing arrangements (0.009% divergence). However, this change, if implemented would create winners and losers in the sector (initial analysis suggests three or four schools would lose funding) – and we are exploring whether some additional form of transitional arrangements could ensure those losses are not too disruptive to any individual school.
- 3.6 The suggested route forward is that following the publication of the DfE High Needs funding guidance (due to be published by the end of September), that
- The local authority will consider proposed changes to banding levels, and the level of the minimum funding guarantee for Special schools
 - More substantive analysis on alternatives to the existing Contextual funding arrangements to be developed, discussed with the High Needs Funding Sub Group and the subject of consultation with the Special School sector in North Yorkshire.

4.0 RECOMMENDATIONS

- 4.1 The Schools Forum is invited to comment upon the approach proposed in paragraph 3.6 above.

STUART CARLTON

Corporate Director – Children and Young People’s Service