



NORTH YORKSHIRE SCHOOLS FORUM

Date of meeting:	Thursday 20 November 2025
Title of report:	2026-27 School Funding Consultation Results
Type of report: Delete as required	For decision
Executive summary: Including reason for submission	This report provides the results of the 2026-27 School Funding Consultation that ran from 19 September 2025 to 24 October 2025. The report requests the Schools Forum consider: • The consultation option to be endorsed in relation to the level of the Minimum Funding Guarantee. • The methodology to be endorsed for use in the allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using NFF values. • The capping and scaling methodology to be endorsed for use in the recovery of any funding shortfall, in excess of the value of the mitigating support measures, on the Schools Block DSG after the calculation of the school funding formula using NFF values. • The Local Authority proposal to transfer funding from the Schools Block to the High Needs Block
Budget / Risk implications:	Individual school budget levels for the 2026-27 financial year and the 2026-27 High Needs budget position.
Recommendations:	As detailed in Section 4, following the consultation with all mainstream schools and academies in North Yorkshire, the Schools Forum is asked to: a. Consider the consultation options to be endorsed by the Schools Forum in respect of: • The level of the minimum funding guarantee (MFG) protection for the 2026-27 financial year. • The methodology to be used to deal with any funding surplus or funding shortfall on the 2026-27 schools' block Dedicated Schools Grant (DSG) after the calculation of school budgets. b. Approve the transfer of 0.5% of funding from the 2026-27 Schools Block to the High Needs Block, based on the funding mitigations as detailed in section 3.5 of this report.



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	c. Endorse the local authority submission of a disapplication request to the Secretary of State for the transfer of 1% from the 2026-27 Schools Block to the High Needs Block, based on the funding mitigations as detailed in section 3.5 of this report.
Voting requirements:	All Schools Forum members
Appendices:	Appendix 1 – Additional comments provided in school / academy Consultation responses.
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1.0 PURPOSE OF THE REPORT

- 1.1 This report provides an overview of the results and responses received from schools and academies to the 2026-27 School Funding Consultation.
- 1.2 The Schools Forum is asked to consider:
- i. The results of the Consultation and the responses received.
 - ii. Which of the options consulted on should be endorsed in relation to:
 - the Minimum Funding Guarantee (MFG),
 - the methodology to be endorsed for use in the allocation to school budgets of any surplus funding available within the Schools Block Dedicated Schools Grant (DSG) after the calculation of the school funding formula using NFF values.
 - the capping and scaling methodology to be endorsed for use in the recovery of any funding shortfall, after the use of funding support mitigations, on the Schools Block DSG after the calculation of the school funding formula using NFF values.
 - iii. The Local Authority proposal to transfer funding from the Schools Block to the High Needs Block.

2.0 BACKGROUND

- 2.1 The DfE have previously stated that the 2026-27 DSG funding information will be published in Autumn 2025 due to the Government's Spending Review being delivered on 11 June 2025; at this stage, the funding information is still to be received. In advance of confirming the schools National Funding Formula (NFF) factor values and allocations for the 2026-27 financial year, the DfE have provided summary policy information. This guidance confirms that there are no structural changes to the schools NFF for 2026-27, with no changes to the NFF factors and how they operate compared to 2025-26. The guidance confirms that local authorities will continue to be responsible for deciding local funding formulae for mainstream schools in their area for 2026-27 with the funding levels that LA maintained schools and academies receive being determined by the respective local formulae. The DfE have confirmed that the local authority disapplication and block transfer request processes will continue to operate for the 2026-27 financial year. The DfE have also confirmed that the schools budget support grant (SBSG) and the National Insurance contributions (NICs) grant will be rolled into the NFF for 2026-27.
- 2.2 The overall funding requirement for 2026-27 school budgets, and the associated affordability within the 2026-27 schools block DSG funding provision, cannot be finalised until the actual 2026-27 schools block DSG allocation is received in December 2025. The final position can result in there being either a funding surplus or shortfall on the grant allocation. The local authority needs to ensure that consideration is given to how any final funding surplus or shortfall is managed. At its September 2025 meeting, the North Yorkshire Schools Forum approved a number of measures, as detailed in section 3.5 below, to mitigate the impact of any funding shortfall on 2026-27 school budgets. The 2026-27 North Yorkshire School Funding consultation requested the views from mainstream schools and academies as to how any funding

surplus or shortfall (in excess of the value of the mitigating measures) should be managed for the 2026-27 financial year.

- 2.3 The local authority is proposing to transfer funding from the Schools Block to the High Needs budget for the 2026-27 financial year within the context of a projected cumulative budget deficit of c.£24m on the High Needs budget by 31 March 2026. The deficit position is forecast to continue to escalate for future financial years if the present demand trend for high needs support continues. The projected unmitigated in-year deficit on the High Needs Block for 2026-27 is estimated to be c.£16m based on assumptions on the continued trend for an increase in the number of children and young people assessed as requiring a funded Education, Health and Care Plan (EHCP), inflationary pressures, the mix of placements across different types of education provision, and the likely increase in High Needs Block funding notified by the Department for Education.
- 2.4 North Yorkshire Council has maintained a “mirror-reserve” of local authority funds to offset the accumulated High Needs DSG budget deficit; this ensures that the Council is prudently maintaining funding provision to support the financial liability of the deficit.
- 2.5 The local authority has adopted a transformation approach to high needs identifying mitigating actions to reduce the growth of the financial pressure. This includes the co-production of an ordinarily available mainstream framework to systemically support pupils with additional needs to access local, mainstream provision. Improvements to SEN administration, assessment and co-ordination have been progressed with improvements in timeliness of assessment with further intent to introduce digital EHCPs to support more efficient and streamlined processes. The local authority has, over a number of years, expanded specialist provision both within special schools and through targeted mainstream provision. New special schools are planned for Selby and Northallerton whilst the local authority has completed significant capital developments at Welburn Hall School, Skipton, Harrogate and Springwater. The mitigating actions appear to be consistent with information from the DfE, although the planned announcement of DfE reforms have been delayed from Autumn 2025 into “early 2026”.
- 2.6 It is against this background, as detailed above, that the local authority is requesting a funding transfer from the Schools Block to the High Needs Block for the 2026-27 financial year. The proposed transfer of funding will support the implementation of the mitigations currently identified by the local authority to address cost pressures in a more sustainable way – particularly through (i) embedding the ordinarily available inclusion framework (ii) supporting locality boards to pilot and/or develop local inclusive approaches relevant to their locality. Our high needs transformation themes also include further development of targeted mainstream provision. In the event of the funding transfer not being agreed, the local authority will need to consider the continuation of some of these services and developments against a background of the significant funding pressures on High Needs budget and the wider local authority.

3.0 **RESULTS OF THE LOCAL CONSULTATION**

3.1 42* responses have been received to the consultation, as shown below.

LA Maintained Primary	24
LA Maintained Secondary	8
Primary Academy	5
Secondary Academy	2
Academy Trust	3
	<u>42</u>

*Duplicate, anonymous and non-mainstream school responses have been disregarded from the consultation results.

60 schools and academies are represented in the responses received providing an overall response rate of 18.02% (18.93% LA maintained schools, 17.07% academies). 273 schools / academies are not represented in the consultation responses.

Three academy trusts have responded to the consultation representing 2, 9, and 10 North Yorkshire academies respectively.

3.2 The Consultation requested the views of schools and academies on the following areas:

- The level of the minimum funding guarantee (MFG) protection. This determines the minimum funding change that a school will receive in terms of funding per pupil between the 2025-26 financial year and the 2026-27 financial year.
- The methodology to be used to deal with any funding surplus or shortfall on the 2026-27 Schools' Block Dedicated Schools Grant (DSG) after the calculation of school budgets.
- A transfer of either 0.5% or 1% of funding from the Schools Block to the High Needs Block budget for the 2026-27 financial year

3.3 The table below provides details of the consultation results in respect of both the number of responses received in support of each option and the numbers of schools represented in the responses.

Option	MFG %*	No. Responses Received Supporting Option	No.Schools Represented in Responses Supporting Option
Option 1	Minimum DfE Threshold	12	12
Option 2	Maximum DfE Threshold	29	47
		41	59

Option	Methodology for the Allocation of Any Surplus Funding		
Option 1	Age Weighted Pupil Unit (AWPU) values increased	22	32
Option 2	Lump Sum Formula Factor Value increased	20	28
		42	60
Option	Methodology for the Operation of Capping and Scaling to Recover Any Funding Shortfall*		
Option 1	A lower gains cap percentage and a lower scaling back of gains percentage	21	22
Option 2	A higher gains cap percentage and a higher scaling back of gains percentage	20	37
		41	59
Option	Proposed Transfer of either 0.5% or 1% Funding from the Schools Block DSG to the High Needs Block	No. Responses Received Supporting Option	No. Schools Represented in Responses Supporting Option
Option 1	1% Funding Transfer Supported	8	9
Option 2	0.5% Funding Transfer Supported	15	15
Option 3	Funding Transfer Not Supported	19	36
		42	60

*1 school did not provide a response to this question

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

- 3.4 In 2018-19, the view was expressed by the North Yorkshire Education Partnership (now Schools Forum) to implement a funding formula that reflects the NFF principles and the associated transitional arrangements. A MFG level at the maximum threshold has historically reflected the DfE 'direction of travel' and is likely to reflect the level of funding increase provided by the DfE to the minimum per pupil level funding. In terms of the distribution methodology for the allocation to school budgets of any surplus funding available within the Schools Block after the calculation of the school funding formula using NFF values, a lump sum methodology would generally benefit smaller schools and an AWPU methodology would generally provide greater funding benefit to larger schools. The impact of the capping and scaling methodology is generally: a lower funding gains cap requires a lower scaling back percentage to achieve the required funding reduction. This results in the reduction being shared across a wider number of schools with a lower level of funding gains reduction across the schools impacted. A higher funding gains cap requires a higher scaling back percentage to achieve the required reduction. This results in the reduction being shared across a lower number of schools (those schools with highest level of gain) and there is a higher level of gains reduction across the schools impacted. The setting of the MFG level is the prime decision, with the decision on the methodology for the management of any surplus or shortfall in funding allocation representing a secondary consideration.
- 3.5 The local authority acknowledges and recognises the views of schools expressed in the funding consultation and recognises the current financial pressures on school

budgets. However, the local authority has a corporate duty and a financial responsibility to address the forecast budget overspend of c.£24m on the High Needs Block by 31 March 2026. Key factors influencing the proposed transfer of funding from the Schools Block to the High Needs Block for the 2026/27 financial year are as follows:

- The utilisation, if required, of the 2026-27 NFF Growth Funding to fund any shortfall in the 2026-27 Schools Block (adjusted for any agreed block transfer) after the calculation of 2026-27 schools budget based on National Funding Formula (NFF) values and providing a Minimum Funding Guarantee (MFG). No contribution will be made from the NFF Growth Funding in the 2026-27 financial year to the New Schools Reserve (£500k contribution made in 2025-26) or to the Pupil Growth & Falling Rolls Contingency Funds (already agreed by the Schools Forum at the September 2025 meeting).
- The use of up to £1.5m from the Schools Block DSG General Reserve to support school budgets, if required any remaining funding shortfall on the Schools Block (after any agreed Block transfer), after the utilisation of the 2026-27 NFF Pupil Growth Funding. In the event of a block transfer not being agreed, support of up to £500k of the Schools Block General Reserve will be provided to support, if required, any remaining funding shortfall on the Schools Block, after the utilisation of the 2026-27 NFF Pupil Growth funding (already agreed by the Schools Forum at the September 2025 meeting).
- The responses and views expressed by schools in North Yorkshire through the 2026-27 funding consultation.
- The modelling detailed in 3.6 below.

3.6 Modelling has been undertaken to determine the funding requirement to provide either a 0.5% or 1% funding transfer from the Schools Block to the High Needs Block. The modelling is based on the following assumptions:

- 2025-26 funding levels
- the assumption that the October 2024 free school meal (FSM) and English as an Additional Language (EAL) increased eligibility levels are reflected in the 2026-27 Schools Block DSG funding levels for the local authority (£1.222m)
- the utilisation of the 2026-27 NFF Growth Funding (assumed at the 2025-26 funding level of £1.665m)
- the utilisation of up to £1.5m from the Schools Block DSG Reserve

The modelling, based on the above assumptions, indicates:

- For a funding transfer of 0.5% from the 2026-27 Schools Block DSG to the 2026-27 High Needs Block DSG there would be funding headroom of c£794k, based on schools being funded at NFF levels, after accounting for the funding assumptions detailed above.
- For a funding transfer of 1% from the 2026-27 Schools Block DSG to the 2026-27 High Needs Block DSG there would be a funding shortfall of £1.535m, based on schools being funded at NFF levels, after accounting for the funding assumptions detailed above. The funding shortfall would be required to be recovered through the use of capping and scaling. The funding modelling, based on 2025-26 school budget levels, indicates that a funding gains cap of 2.04% with 100% scaling would be required. The modelling indicates that 183 schools would not be impacted by this measure as their funding is based on

either the Minimum Per Pupil Level (MPPL) funding or the MFG funding or their original funding gain is less than 2.04%. 154 schools would see a reduction in their funding through the application of capping and scaling as their original funding gain is more than 2.04%

The key risks to the funding modelling results, which will be unknown until the actual 2026-27 Schools Block DSG funding allocation is received from the DfE in December 2025, are as follows:

- The level of NFF Growth Funding for the 2026-27 financial year
- The actual level of additional funding received in respect of the increased eligibility for FSM and EAL between the October 2023 and the October 2024 pupil census data.
- The additional funding requirement for 2026-27 associated with any increased levels of eligibility for FSM and EAL recorded on the October 2025 school census compared to the October 2024 school census. (To exemplify, an increase of 1% in the number of pupils recorded as eligible for FSM equates to an additional funding requirement of c£1m).
- Any additional cost associated with the funding of the 2026-27 MFG compared to the 2025-26 funding requirement (£600k)

3.7 In addition to the mitigation measures detailed in 3.5, the local authority is also making the following proposal to further support school budgets:

- The funding of the de-delegated contingency budgets associated with Schools in Financial Difficulties, School Redundancy Costs Contribution and Unreasonable School Expenditure from the associated reserves for the 2026-27 financial year.

3.8 The local authority is seeking approval from the Schools Forum for the transfer of 0.5% of funding from the 2026-27 Schools Block to the High Needs Block, based on the funding mitigations as detailed in section 3.5 of this report. In addition, the local authority is requesting endorsement from the Schools Forum for the submission of a disapplication request to the Secretary of State for the transfer of 1% from the 2026-27 Schools Block to the High Needs Block, based on the funding mitigations as detailed in section 3.5 of this report.

3.9 The decisions, within the parameters of the DfE school funding regulations, in relation to the operation of the school funding formula, including the level of the MFG, are made by the local authority having regard to the views of the Schools Forum. In this respect, the North Yorkshire Council Executive at its meeting on 6 January 2026 will provide a decision on the following:

- The level of the minimum funding guarantee (MFG) protection. This determines the minimum funding change that a school will receive in terms of funding per pupil between the 2025/26 financial year and the 2026/27 financial year.
- The methodology to be used to deal with any funding surplus or shortfall on the 2026/27 schools' block Dedicated Schools Grant (DSG) after the calculation of school budgets.

3.10 At the present time, due to the delayed publication of school funding information by the DfE, there is a high degree of uncertainty in respect of the overall 2026-27 school

funding position. The position will not be fully known until the actual 2026-27 Schools Block DSG funding allocation is received in mid-December 2025. Whilst full regard will be given to the views expressed by the Schools Forum in relation to school funding arrangements, the Council's Executive reserve the right to adopt alternative options, if required, in order to secure the overall affordability of school budgets for the 2026-27 financial year.

- 3.8 The Schools Forum is the decision maker on funding transfers of up to 0.5% from the Schools Block to other blocks. The DfE school funding regulations make provision for local authorities to submit a disapplication request for consideration by the Secretary of State in the situation where the Schools Forum has turned down a proposal from the local authority to transfer funding out of the Schools Block DSG to another block, but the local authority wishes to proceed with the transfer.

4.0 RECOMMENDATIONS

- 4.1 Following the consultation with all mainstream schools and academies in North Yorkshire, the Schools Forum is asked to:
- a. Consider the consultation options to be endorsed by the Schools Forum in respect of:
 - The level of the minimum funding guarantee (MFG) protection for the 2026-27 financial year.
 - The methodology to be used to deal with any funding surplus or funding shortfall on the 2026-27 Schools' Block Dedicated Schools Grant (DSG) after the calculation of school budgets.
 - b. Approve the transfer of 0.5% of funding from the 2026-27 Schools Block to the High Needs Block, based on the funding mitigations as detailed in section 3.5 of this report. In addition,
 - c. Endorse the local authority submission of a disapplication request to the Secretary of State for the transfer of 1% from the 2026-27 Schools Block to the High Needs Block, based on the funding mitigations as detailed in section 3.5 of this report.

PETER THORPE

Corporate Director – Children and Young People's Service (Interim)

Appendix 1

2026-27 School Funding Consultation – Additional Comments

School Type	Comment
LA - Primary	It is difficult for maintained schools to accept a % going to high needs when we are still massively underfunded for EHCPs and SEN emails are not answered. We have had multiple serious assaults which were reported via SAM in June and July. They were 'approved' yesterday! You can't just throw money at high needs without improving services. How do I explain to assaulted staff that their employee can't even look at a form about what happened to them until three months later?
LA - Secondary	This year we do not support any money going from the schools block to the high needs block. At X School we are already investing heavily into staff to support students who might otherwise be supported through the High Needs Block. If additional money comes out of an already stretched budget to prop up the High Needs budget, this would mean we were not able to fund the staff who are supporting vulnerable students and doing a very good job at it.
Trust	The DSG Schools Block funding is determined by the National Funding Formula but is still insufficient to cover the basic cost of running a school and the needs of the children. By reallocating funding to the High Needs Block the council is masking the extent of the underfunding problem within the High Needs Block, indicating to central government that there is excess funding in the Schools Block that schools do not require, which is definitely not the case. This return is for all 9 schools within North Yorkshire that part of X Academy Trust.
LA - Primary	The local authority must prioritise protecting core funding for mainstream schools. The proposed transfer of funding from the Schools Block to the High Needs Block is not supported. The solution to addressing the High Needs budget deficit lies in securing improved and fairer funding from the Department for Education, in line with comparable local authorities, and in strategically managing down excessive expenditure on independent special school placements and individual transport costs. Transferring £2.3m or £4.6m from mainstream schools would significantly undermine the education of non-High Needs pupils, at a time when schools are already facing substantial financial pressures. The proposed General Reserve transfer of £1.5m would not begin to offset the scale of reduction to mainstream budgets and would have minimal positive impact on the overall deficit position.

LA - Primary	Schools are working above and beyond to keep functioning and endeavouring to give the best possible education to all pupils in their setting. A huge part of the school budget in our setting, as with many others, goes on SEND pupils - topping up 1:1 adult support that Local Authority EHCP allocated funding goes nowhere need covering and with the level of support they say MUST BE GIVEN. The adult support in school is being totally overwhelmed and all resources are being used with SEN pupils, due to lack of places and funding for specialist provision. As a small village school, 126 on roll, with a higher than local average of SEND pupils, we are going above and beyond to support pupils and falling further into deficit due to money having to be allocated to keep all children, staff and individuals safe. To take from one group of pupils, who are already being impacted upon to the detriment, is not acceptable to myself and my senior leadership team and Governors, who have all agreed that the funding should come from elsewhere. I can understand the number of headteachers and teachers and GTAs leaving the profession, the amount of challenge we face daily, juggling behaviour, budgets, SEND, administration and also the impact of the job on our mental health and wellbeing is ever increasing. We are expected to be magicians with the small amount of money that we are allocated. As a school we do all we can to get best value on all resources but there comes a point where we all will break. Schools are faced with high level SEND needs, that need specialist teaching, knowledge and support. We are mainstream and not trained to deal with some of the needs and behaviours that we are faced with. We do our best but for the pupils, this is not good enough. They deserve more, their families deserve more. However, in the same breath, the pupils without need also deserve more, as classes have to be streamlined and adapted to support SEND, often to their detriment.
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2026-27 School Funding Consultation – Equalities Comments

School Type	Comment
LA - Primary	For a child with a specific need, they deserve all the support and access to the best possible learning environments that they can get. There is not the funding or the specialist provision that is needed so that they can flourish and grow to be the best that they can be. They should not suffer due to lack of funding, provision, and specialist teachers and settings. This is something the Government needs to work on and also NYC. As a small school, 5 classrooms, a hall, a library and a small staffroom, we have no space for additional provision yet we have pupils with high level needs admitted to school and we feel that they are not getting what they deserve and more support and funding and provision from the LA is a necessity, but also not to the detriment of others.