



NORTH YORKSHIRE SCHOOLS FORUM

Date of meeting:	Thursday 22 January 2026
Title of report:	Overall DSG and the Schools Block 2026-27
Type of report: Delete as required	For information
Executive summary: Including reason for submission	This paper sets out, for information, the overall DSG allocation and planned expenditure on the Schools Block Budget in 2026-27, following the consideration of proposals regarding its distribution at the Schools Forum meeting in November 2025 and formal agreement by the Council's Executive in January 2026.
Budget / Risk implications:	N/A
Recommendations:	That the North Yorkshire Schools Forum notes and approves the contents of this paper
Voting requirements:	Schools Forum Voting Members
Appendices: To be attached	None
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1.0 PURPOSE OF THE REPORT

- 1.1 This paper sets out, for information, the planned expenditure on the Schools Block Budget in 2026-27, following the consideration of proposals regarding its distribution at the North Yorkshire Schools Forum meeting in November 2025 and formal approval by the Council's Executive in January 2026.

2.0 DSG ALLOCATIONS 2026-27

- 2.1 The Dedicated Schools Grant (DSG) is made up of four blocks (Schools, High Needs, Early Years and Central School Services). In recent meetings the Forum considered the DfE announcements with regard to DSG funding allocations for 2026-27 including the impact of the ongoing National Funding Formula (NFF) developments and approving the local authority proposal to transfer 0.5% of funding from the Schools Block DSG to the High Needs Block for the 2026-27 financial year

- 2.2 Whilst the amount currently allocated for 2026-27 is in line with expectations for the Schools, Early Years and Central School Services Blocks of the DSG, the High Needs Block funding allocation, after accounting for the 'rolling in' of grants previously allocated outside of the DSG, has remained 'cash flat' at the 2025-26 funding level. Overall, there has been an increase in the DfE published baseline figure of £38.35m to £687.17m. This is due to the following key factors:

- Additional funding allocated for the 2026-27 financial year school funding settlement, including the rolling in of grants previously allocated outside of the DSG, of £23.51m
- The rolling in of grants, previously allocated outside of the DSG to the High Needs Block funding, estimated to be in the order of £5.08m
- An increase in the Local Authority early years funding rate, including the rolling in of grants previously allocated outside of the DSG, compared to the original 2025-26 DSG rates providing an additional £3.59m
- Additional early years funding in respect of the Government's expansion of free early education and childcare entitlements for children between 9 months and 2 years of working parents. 2026-27 will be the first full financial year of the operation of the expanded entitlements. The additional funding is £15.62m
- An overall net reduction in the mainstream school pupil population and in the take up of early years funded places for three and four-year olds and two-year-olds of families receiving additional support providing an estimated reduction in funding of £8.94m.

- 2.3 In summary therefore, the change in DSG (before deductions for Academies and other direct funding of High Needs Places by the DfE) shows:

	£'000
2025-26 baseline*	648,820
2025-26 High Needs Funding Baseline Adjustment*	-471

Schools, Early Years & Central School Services - NFF funding settlement + Rolled in Grants	26,908
High Needs – Rolled in Grants	5,075
Primary and Secondary schools - population	-7,428
Universal 3 & 4-year-old numbers	-658
Working parents (3 & 4-year-olds) numbers	-310
Families receiving additional support 2-year-olds	-546
Early Years Free Entitlement Expansion – 2-year-olds of working parents	6,643
Early Years Free Entitlement Expansion – Under 2-year-olds of working parents	8,972
Early Years Pupil Premium	261
Early Years Disability Access Fund	10
Maintained Nursery School Supplementary Funding	-12
Central School Services Historic Commitments Reduction	-94
Sub Total	687,170
High Needs Deductions**	-13,084
National Non-Domestic Rates (NNDR) Deduction – DfE Central Payment Process	-5,237
Total DSG Allocation (after High Needs & NNDR deductions)	668,849

* Original DSG baseline as at December 2024. Total DSG amounts change throughout the year based on academy conversion, high needs recoupment and import/export adjustments, and early years adjustments.

**High Needs Recoupment as per the DfE is currently £13.08m, but the final figure is not confirmed until a later date. NYC internal calculations estimate the figure at £13.62m.

2.4 The final allocation is dependent on final early years' numbers and academy recoupment and therefore the total DSG will change throughout the financial year.

2.5 The allocation of the funding to each of the four blocks is as below.

NYC Split	Schools	CSSB	High Needs	Early Years	Total
	£'000	£'000	£'000	£'000	£'000
2025-26 baseline*	465,676	3,622	88,613	90,909	648,820
2025-26 High Needs Baseline Adjustment			-471		-471

NFF - funding settlement + 'rolled-in' grants	23,505	67		3,336	26,908
High Needs – 'rolled in' grants			5,075		5,075
Change in Primary & Secondary pupil numbers	-7,379	-49			-7,428
Change in Early Years funded entitlement take up				-1,514	-1,514
Early Years Free Entitlement Expansion – 2-year-olds of working parents				6,643	6,643
Early Years Free Entitlement Expansion – 2-year-olds of working parents				8,972	8,972
Other Early Years Adjustments				259	259
Historic Commitments reduction		-94			-94
Initial DSG Before Adjustments (as published by DfE)	481,802	3,546	93,217	108,605	687,170
High Needs Recoupment**			-13,084		-13,084
National Non-Domestic Rates (NNDR) Deduction – ESFA Central Payment Process	-5,237				-5,237
Initial DSG after HN Recoupment & NNDR Deduction (as published by DfE)	476,565	3,546	80,133	108,605	668,849
0.5% Funding Transfer from Schools Block to High Needs Block	-2,409		2,409		0
Additional High Needs Recoupment estimated by NYC			-539		-539
	474,156	3,546	82,003	108,605	668,310

3.0 PLANNED SCHOOLS BLOCK EXPENDITURE

- 3.1 On the 19 November 2025, the Government published details of how funding will be allocated through the NFF for schools for the 2026-27 financial year. Total provisional funding for mainstream schools through the schools NFF will total £50.9 billion in 2026-27. This includes funding that was allocated in 2025-26 through the schools' budget support grant (SBSG) and National Insurance Contributions (NICs) Grant, which has been "rolled in" to the schools NFF in 2026-27.
- 3.2 In June 2025, the Government announced that, starting from September 2026, Free School Meals (FSM) will be extended to all children in households receiving Universal

Credit (UC). For 2026-27, the additional funding for the FSM expansion will be provided through a separate grant.

3.3 A summary of the DfE 2026-27 School National Funding Formula policy is as follows:

- The 2026-27 schools NFF will use the same factors as the 2025-26 NFF.
- The individual NFF factors for 2026-27 will operate in the same way as in 2025-26
- The mainstream school's elements of the Schools Budget Support Grant (SBSG) and the National Insurance Contribution (NICs) grant are being rolled into the 2026-27 NFF to reflect the three different ways in which schools attract funding through the NFF:
 - Increasing the basic entitlement, FSM6 and the lump sum factor values for schools funded through the main formula factors (before protections);
 - Increasing the minimum per pupil levels (MPPL);
 - Increasing the baseline for each school, which is used to calculate funding protections for schools funded through the funding floor
 - For the NICs grant, the funding rates from the respective factors in the NICs grant have been used for the respective uplifts. For the SBSG, the amounts that are added to the NFF factor values reflect the "full year equivalent" of the SBSG funding rates. This means that the SBSG funding is higher than the funding rates that were actually used for the 2025-26 SBSG, as the latter supported schools with the part-year costs of the 2025 teachers pay award.
- In addition to the rolled in grants, the following uplifts will be applied to the NFF factors for the 2026-27 financial year:
 - 2.11% increase to the basic entitlement; FSM6 values and the lump sum factors.
 - 2.11% increase applied to the IDACI, low prior attainment (LPA), English as an Additional Language (EAL), mobility, sparsity and split sites factors.
 - 1.66% uplift has been applied to the FSM factor in the NFF, in line with inflation forecasts – as of the GDP deflator forecast of March 2025
- Through the 2026-27 Minimum Per Pupil Level (MPPL) funding, all primary schools will attract at least £5,115 per pupil, and all secondary schools at least £6,640 per pupil – the minimum per pupil funding levels incorporate the rolled in SBSG and NICs Grant funding, but no further percentage uplift has been applied to the minimum per pupil funding levels for 2026-27.
- When setting their local formulae, local authorities must set the MFG between minus 0.5% and 0%.
- The funding floor will continue to protect schools from sudden drops in their funding. The 2026-27 NFF funding floor is set at 0%. This ensures that no school will see a cash reduction in its pupil-led per pupil funding they attract, compared to the 2025-26 baseline. For 2026-27 the baseline includes rolled in funding to reflect the NICs Grant and the annualised equivalent of the SBSG.

3.3 The Local Authority consulted schools in the Autumn 2025 term on the transfer of funding from the Schools Block DSG to the High Needs Block for the 2026-27 financial year. The majority of responses to the funding consultation supported the block transfer proposal. The Schools Forum supported the option of a 0.5% funding transfer from the Schools Block to the High Needs Block. Funding support measures to mitigate the impact on school budgets of the transfer of funding from the Schools Block to the High Needs Block for the 2026-27 financial year were agreed by the Schools Forum as follows:

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- 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.
- 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.

- 3.4 A detailed breakdown of the Schools Block funding provision available for 2026-27 school budgets is detailed in the table below:

	£'000	£'000
Schools Block DSG (Prior to NNDR Deduction)		481,802
Less:		
Schools Block DSG 0.5% Transfer to High Needs Block	-2,409	
Schools Block DSG - Growth Funding Allocation	-2,078	
Schools Block Funding Available for 2026-27 School Budgets		477,315

- 3.5 A full summary of the Schools Block in 2026-27, including a list of de-delegated and centrally-managed budgets is shown below. The de-delegated budgets reflect the decisions made at the November 2025 meeting of the Forum. The budgets have been updated to take account of the October 2025 pupil census and the latest for academy conversions.

Schools Block (£000s)	£'000
<u>Individual School Budget (ISB)</u>	
Indicative ISB	481,067
Additional Recoupment of NNDR related to closed schools by DfE	23
Indicative ISB (School Delegated Budgets)	481,090
<u>Central Budgets</u>	

Pupil Growth & Falling Rolls Provision, including New Schools Reserve Provision.	0
2026-27 Central Budgets Funding Provision	0
Total Indicative Schools Budget Funding Requirement	481,090
Funded by:	
Schools Block Funding Available for 2026-27 School Budgets	477,315
Schools Block DSG - Growth Funding Allocation to School Budgets	2,078
Pupil Growth – New School Provision Reserve (Oakbridge additional year groups)	96
Schools Block DSG Reserve	1,500
School Organisation Change – 2026-27 Closing School Funding Provision Available to Support ISB Funding Requirement*	101
Total Indicative Schools Budget Funding Provision	481,090
<u>De-delegated</u>	
Schools in Financial Difficulty – Schools Causing Concern element	211
Trade Union Costs	125
School Improvement – Core Service	638
	974

*NYC Executive approval provided on 16 December 2025 to publish statutory proposals and notices on 12 January 2026. Final decision by Executive on 17 March 2026.

- 3.6 The 2026-27 school budget funding requirement, based on National Funding Formula (NFF) values, providing a Minimum Funding Guarantee (MFG) of 0%, provision for the recoupment of closed school NNDR costs by the DfE (£23k) is calculated to be £481,090k (including funding provision (£279k) required to be made for proposed school organisation changes post 1 April 2026 where the final decision is due to be taken by the NYC Executive on 17 March 2026). The funding allocation available for the 2026-27 financial year is £481,090k. The available funding reflects:

- The 2026-27 Schools Block DSG of £481,802k (£479,724k plus £2,078k Growth Funding)

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- 0.5% transfer of funding from the Schools Block DSG to the High Needs Block DSG (£2,409k)
- The use of the Pupil Growth – New Schools Reserve to fund the additional year group at Oakbridge CE Primary School (£96k)
- The use of £1,500k of funding from the Schools Block DSG General Reserve
- The use of an element of funding provision (£101k) required to be made within 2026-27 school delegated budgets for schools subject to organisation change proposals post 1 April 2026. The NYC Executive has provided approval for the publishing of statutory proposals and notices in respect of the proposed school organisation changes. The final decision on the proposals is scheduled to be made on 17 March 2026. Due to the timing of the final decision, the local authority is required to continue to make funding provision for the impacted schools in the 2026-27 school budget return to the DfE. Subject to the final decision on the school organisation proposals, any funding not required to be allocated to school budgets, as a result of final approval of the proposals, will be transferred to the Pupil Growth – Closed Schools Fund. The pupil led funding will be allocated to the schools receiving additional pupils due to the proposed change. Non-pupil led funding e.g. lump sum funding, sparsity funding etc. (estimated £211k) will transfer to the Schools Block DSG General Reserve at the end of the financial year. In order to avoid the requirement for the use of the capping and scaling mechanism to ensure the affordability of 2026-27 school budgets, the local authority will utilise the school budget funding anticipated to be unallocated after the final approval of the proposed school organisation changes. In the event of final approval not being provided in March 2026 by the Executive for the proposed school organisation changes, additional funding of £101k will be required to be utilised from the Schools Block General Reserve to support the 2026-27 school budget funding requirement.

- 3.7 Analysis of the core 2026-27 Schools Block DSG funding has highlighted that there have been continued further significant changes in the profile of pupil characteristics between the October 2024 census and the October 2025 census within North Yorkshire. The characteristics where changes have resulted in the most significant funding pressures are Free School Meals (FSM & FSM6) for secondary schools and Low Prior Attainment (LPA) for primary schools. The percentage of the secondary pupil population eligible for FSM has increased by approx.1.3% (19.09% to 20.38%); this has resulted in an additional funding requirement of approx. £900k on the FSM and FSM6 funding formula factors. The percentage of the primary pupil population identified as not achieving a good level of development in the early years foundation stage profile (EYFSP) in respect of the allocation of LPA funding has increased by approx.0.9% (28.17% to 29.1%); this has resulted in an additional funding requirement of approx. £449k on the primary LPA funding formula factor. The additional funding requirement for the 2026-27 financial year has been mitigated by the use of Growth Funding and the Schools Block DSG General Reserve to support core school budgets and ensure that school funding levels reflect the 2026-27 NFF funding formula factor values.
- 3.8 The methodology used by the DfE to calculate 2026-27 schools block DSG allocations is based, in summary, on generating a primary unit of funding (PUF) and a secondary unit of funding (SUF) that is based on the 2026-27 NFF values applied to the pupil and school characteristics recorded in the October 2024 census and funded in the 2025-26 financial year. The units of funding are then applied to the pupil numbers recorded

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on the October 2025 census. Whilst this funding methodology reflects changes in pupil numbers, there is a time lag in the updating of the PUF and SUF values to reflect any increased funding requirement related to a change in the profile of the characteristics within the pupil population. The local authority will continue to monitor future school census data for further changes in the profile of the characteristics within the pupil population.

- 3.9 A small number of duplicate pupil records have been identified on the 2026-27 school funding allocation which, if left unaddressed, would result in a risk of double-funding and a further funding pressure. The schools and academies identified as having duplicate records have been contacted in order for them to resolve the issue. In the event of the issue being unable to be resolved, the local authority will deduct the duplicate pupils from the school or academy in order to avoid a double funding position and to reflect the number of pupils funded by the DfE within the schools' block DSG
- 3.10 The DfE has confirmed approval for the use of the exceptional circumstance funding formula factors for the provision of Exceptional Rents funding and the provision of exceptional circumstance funding of £50,000 for very small (350 pupils or less) sparse secondary schools, which would otherwise be unable to attract sufficient funding to remain viable. No secondary schools meeting the sparsity eligibility requirement recorded 350 pupils or less on the October 2025 census.
- 3.11 At the meeting on the 20 November 2025, the Schools Forum considered and approved a number of proposals with regard to the de-delegated contingency budgets for Schools in Financial Difficulty (including Schools Causing Concern and School Redundancy Support Costs contribution) and Unreasonable School Expenditure for the 2026-27 financial year. The proposals had regard to the cost pressures currently being faced by schools and the levels of reserve on the de-delegated contingency budgets. The agreed proposals are summarised as follows:
- £7.51 per pupil will be de-delegated in the 2026-27 financial year in relation to the Schools Causing Concern funding element of the Schools in Financial Difficulty de-delegated contingency budget. This is a 2.5% increase on the 2025-26 value.
 - Reserve funding will be utilised to support the Schools in Financial Difficulty element of the de-delegation contingency for the 2026-27 financial year with no de-delegation of funds for this element of the funding.
 - Reserve funding will be utilised to support the School Redundancy Costs Contribution element of the Schools in Financial Difficulty de-delegation contingency budget for the 2026-27 financial year, with no de-delegation of funds for this element of the funding.
 - Reserve funding will be utilised to support the Unreasonable School Expenditure de-delegation contingency budget for the 2026-27 financial year, with no de-delegation of funds for this element of the funding.

Schools' Forum members have noted the risk that any demands on the contingency budgets in excess of the available reserves will result in a request for an increase in de-delegation rates for these contingency budgets in the 2027-28 financial year.

- 3.12 The DfE applied a 50% reduction to the LA School Improvement Monitoring & Brokering Grant for the 2022/23 financial year, followed by full removal of the Grant in the 2023/24 financial year. The DfE also made provision within the School and Early Years Finance (England) Regulations for the 2022/23 financial year to allow local authorities to fund all of their school improvement activity (including all core school improvement activities) via de-delegation from schools' budget shares. At the meeting on the 20 November 2025, the Schools Forum approved the continuation of the previously agreed methodology for the de-delegation of funding from school budgets to provide the funding required for the delivery of the core statutory school improvement service for the LA maintained primary and secondary schools within North Yorkshire for the 2026-27 financial year. The Schools Forum agreed a 2.5% increase to the 2025-26 de-delegation rate for the 2026-27 financial year. The agreed de-delegation methodology is as follows:

School Phase	Lump Sum	Amount Per Pupil
Primary	£3,360	£2.47
Secondary	£3,360	£3.00

- 3.13 At the November 2025 meeting, the Schools Forum approved the continued de-delegation of funding, based on £4.46 per pupil, to support local trade union facilities arrangements for the 2026-27 financial year; the de-delegation value represented a £0.52 increase on the 2025-26 amount.
- 3.14 The DfE NFF guidance requires local authorities to keep under review the calculation of their schools' notional SEN budgets to ensure that they are both proportionate to the costs and prevalence of pupils on SEN Support and that they meet additional support costs up to £6,000 per pupil of those with more complex needs. North Yorkshire Council undertook a significant review of the notional SEN budget calculation and consulted schools on a number of proposed changes in the 2024/25 financial year. The resultant changes implemented sought to:
- better reflect the notional SEN budget funding requirements within North Yorkshire schools and academies,
 - align to the average notional SEN budget funding levels and funding formula factor weightings of other local authorities with similar characteristics to North Yorkshire,
 - reflect the operating context and diversity of schools and academies within North Yorkshire, and;
 - ensure compliance with the DfE validation check that a LA's total notional SEN budget provides schools with a certain amount per pupil identified as on SEN support, having deducted £6,000 per pupil with an EHC plan.

The changes to the notional SEN budget calculation resulted in the notional SEN budget funding quantum within school budgets increasing from £31.07m in 2023-24 to £47.70m for the 2024/25 financial year. Analysis has been undertaken to consider the notional SEN budget funding requirement for the numbers of pupils within the SEN support category and the number of pupils attracting element 3 top-up funding to the school through an EHCP in North Yorkshire, based on the October 2024 census data against the 2025-26 notional SEN funding budget allocation. That analysis highlighted

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that based on the latest 2024-25 pupil data, the 2025-26 notional SEN budget allocation broadly reflects the estimated notional SEN funding requirement within North Yorkshire. In this respect it was not considered necessary to review the notional SEN budget funding formula calculation for the 2026-27 financial year. The funding formula calculation will be reviewed annually to ensure that it continues to reflect the levels of pupils with SEN requirements in mainstream schools within North Yorkshire.

- 3.15 The 2026-27 Schools Block DSG includes Growth Funding of £2.078m. In previous years £500k of this funding has been allocated to the Pupil Growth and Falling Rolls Fund Contingency Funds that can be accessed by LA maintained schools and academies who meet the funding eligibility criteria. At the November 2025 meeting, the Schools Forum agreed for any funding requirements on the Pupil Growth and Falling Rolls Fund Contingency Funds to be met from reserve funding, with no contribution from Growth Funding to the Pupil Growth and Falling Rolls Fund for the 2026-27 financial year. As reported to the Schools Forum in September 2025, the estimated Pupil Growth and Falling Rolls funding requirement for the 2025-26 financial year is £209.1k. It is estimated that the reserves position as at 31 March 2026 will be £590.9k.
- 3.16 It is expected that 4-5 new schools may be required within North Yorkshire over the next seven-year period. The new schools are mainstream free schools under the DfE free school presumption process and, as such, require an additional funding commitment from the LA in respect of pre-opening funding, post-opening diseconomies funding and delegated budget in relation to estimated pupil numbers. The additional funding commitment, based on the updated school pupil growth funding methodology, agreed by the Schools Forum in November 2022, for a new mainstream free school built under the DfE free school presumption route is between £900k and £1m over the initial seven years of operation until all year groups are established. In September 2025, the Schools Forum agreed that the forecast balance as at 31 March 2026 on the Pupil Growth - New Schools Provision Reserve of £5.996m is deemed to be currently sufficient for the forecast commitments. On this basis, the Schools Forum agreed for the 2026-27 DfE Growth Funding to be made available, if required, to support school budgets. A further assessment will be undertaken at the end of 2026-27 financial year as to the level of reserve, the associated new school funding requirement and whether further funding contributions are required to the reserve.
- 3.17 The Pupil Growth – New Schools reserve will be utilised in 2026-27 to provide the funding for the additional year group which will be added to Oakbridge CE Primary Academy from September 2026. Oakbridge was a new school in September 2024 and is not yet operating with a full cohort of year groups. The funding requirement is expected to be £96k; the forecast Reception pupils for September 2026, as provided by the North Yorkshire Council Strategic Planning Team and confirmed by the school.
- 3.18 At the time of writing the report to Schools Forum, work is continuing to be undertaken on verifying the funding data. Any changes or findings which materially affect the school funding position will be verbally reported to the meeting of the Schools Forum on 22 January 2026. The final position on the 2026-27 Schools Block DSG will be confirmed to the March 2026 meeting of the Schools Forum.

4.0 HIGH NEEDS

- 4.1 A 0.5% transfer of funding from the Schools Block to the High Needs Block budget for the 2026-27 financial year was supported by the Schools Forum and subsequently approved by the Council's Executive on 6 January 2026. North Yorkshire Council is forecasting a cumulative budget deficit of c.£26m 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 in-year deficit on the High Needs Block for 2026-27 is estimated to be c.£11m 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, and the mix of placements across different types of education provision. It also includes potential reductions in spending driven by a High Needs Transformation programme. If confirmed, this would increase the accumulated deficit to c.£37m by March 2027. The updated 2026-27 forecast deficit position reflects the additional financial pressure of there being no inflationary funding increase from the DfE on the 2026-27 High Needs DSG funding compared to the 2025-26 financial year, after accounting for the "rolling in" of grants previously allocated outside of the DSG. The "cash flat" 2026-27 funding allocation has resulted in an additional funding pressure of c£2.2m when compared to previous budget forecasts.
- 4.2 The local authority has adopted a transformational 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".
- 4.3 The 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. The local authority high needs transformation themes also include further development of targeted mainstream provision. The funding transfer supports the continuation of these services and developments against a background of the significant funding pressures on High Needs budget and the wider local authority.

5.0 CENTRAL SCHOOLS SERVICES BLOCK EXPENDITURE (BUDGET)

- 5.1 The proposed Central Schools Services Block (CSSB) is made up of the following budgets:

	£'000s
<u>Historic Commitments</u>	
Prevention Service	375
<u>Ongoing Functions</u>	
Access management, Admissions and Appeals	832
Schools Forum	50
Copyright Licences*	726
Education Services – Retained Duties	1,063
Centrally Employed Teacher Costs	499
TOTAL	3,545

*Estimate, pending DfE publication of 2026-27 Copyright License charges

- 5.2 The 2026-27 CSSB funding level of £3.545m reflects the ongoing reduction in the Historic Commitments element of the Block, with a reduction of £94k from £0.469m to £0.375m. There has been a net increase of £18k in the grant income for Ongoing Functions; the funding increase reflects a 2.13% grant funding increase (£67k) and a funding reduction (£49k) related to reduced pupil numbers between the October 2024 and October 2025 census.
- 5.3 The Schools Revenue Funding Operational Guide outlines the functions that are covered under the former Education Service Grants. The functions include statutory and regulatory duties that the local authority must deliver. Many will not be directly visible to schools, but they reduce the risks to senior leaders and governing bodies by ensuring compliance with legal requirements. Retained duties include education welfare (functions relating to children excluded from school, school attendance, responsibilities regarding employment of children), asset management, and statutory and regulatory duties (including planning for the education service as a whole, formulation and review of the school funding formula, budget preparation).

6.0 RECOMMENDATIONS

- 6.1 The North Yorkshire Schools Forum is asked to note and approve the contents of this report.

El Mayhew

Corporate Director – Children and Young People's Service