



NORTH YORKSHIRE COUNTY COUNCIL

**SPECIAL SCHOOLS & ACADEMIES
FUNDING CONSULTATION 2022-23**

22nd September 2021 to 22nd October 2021

Deadline for responses: Friday, 22nd October 2021, 5pm

1.0 SUMMARY

- 1.1 This consultation paper sets out the latest position from the DfE and the North Yorkshire Local Authority with regard to Special School funding arrangements for 2022/23. Specifically, the consultation paper seeks the views of Special schools on the level of the Minimum Funding Guarantee for Special schools in 2022-23

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 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 SUMMARY OF PROPOSALS

- 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 increases applying to the lower banding allocations. The new rates of funding are detailed in appendix 1. These rates will apply across all settings in receipt of top-up funding.

- 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 **Minimum Funding Guarantee (MFG)** has been modelled at 0% (as per the DfE 2022/23 High Needs Operational Guidance) and 2% (as per the assumed rate of inflation, and in line with the maximum 2022/23 MFG level for mainstream schools) for Special schools. The views of Special Schools are requested on the two options. Further discussion is included in Section 4 below.

4.0 **MINIMUM FUNDING GUARANTEE FOR SPECIAL SCHOOLS 2022-23**

- 4.1 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 wishes to consider the option of a 2% MFG for Special Schools in 2022/23.
- 4.3 In terms of NYCC methodology, the minimum funding guarantee determination is actioned in January (for the following financial year) when we use the pupil population in place at that particular point in time and compare 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.
- 4.4 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.
- 4.5 The consultation seeks the views of Special schools on the rate of MFG for the 2022-23 financial year. The two specific options detailed are setting the MFG at 0% or 2%. It needs to be noted that potential MFG top-up funding for 2022-23 has been modelled on the basis of the current pupil populations and commissioned place numbers (as opposed to the populations and commissioned place numbers that will be in school in January 2022). On this basis, it is estimated that setting a MFG of 0% would result in 2 schools receiving protection totalling £153,294; setting the MFG at 2% would result in 10 schools receiving top-up allocations totalling £378,533. Appendix 2 provides details of the impact of the MFG funding options at individual school level.

5.0 Next Steps

- a. Accompanying this consultation paper is a response form (please see appendix 4). We would be grateful if you could return this by email, or otherwise respond by email to the questions, by 5pm on Friday, 22nd October 2021. Please send your responses to Deborah.wilbor@northyorks.gov.uk
- b. The results of this consultation, with associated recommendations, will be presented to members of the North Yorkshire Schools Forum for discussion at its meeting on Thursday 11th November 2021. Schools will be notified of the outcome of this discussion and subsequent decision by the local authority.

The Equalities Impact Assessment for this consultation is provided in appendix 3.

6.0 Consultation Questions

The questions set out in the accompanying response form (appendix 4) are as follows:

Q1a. Please indicate whether you support the proposed Option A for setting the MFG for special schools at 0% in 2022-23:

Support (Y/N)

Q1b. Please indicate whether you support the proposed Option B for setting MFG for special schools at 2% in 2022-23:

Support (Y/N)

Q2: Do you have any further comments or other suggestions relating to the MFG?

Appendix 1. 2022/23 Funding Rates for Top-Up Allocations

	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 (*1)	£20,000 (*1)

Notes

(*1) actual allocations dependent on Band 10 panel evaluation

Appendix 2. 2022/23 Minimum Funding Guarantee (MFG) for Special Schools by School

The table below provides details of the impact of the MFG funding options at individual school level:

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

Please note 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).



North

Yorkshire County Council

Equality impact assessment (EIA) form: evidencing paying due regard to protected characteristics

(Form updated May 2015)

Special School Funding 2022-23 (High Needs Block Funding)

If you would like this information in another language or format such as Braille, large print or audio, please contact the Communications Unit on 01609 53 2013 or email communications@northyorks.gov.uk.



যদি আপনি এই ডকুমেন্ট অন্য ভাষায় বা ফরমেটে চান, তাহলে দয়া করে আমাদেরকে বলুন।

如欲索取以另一語文印製或另一格式製作的資料，請與我們聯絡。

اگر آپ کو معلومات کسی دیگر زبان یا دیگر شکل میں درکار ہوں تو برائے مہربانی ہم سے پوچھئے۔

Equality Impact Assessments (EIAs) are public documents. EIAs accompanying reports going to County Councillors for decisions are published with the committee papers on our website and are available in hard copy at the relevant meeting. To help people to find completed EIAs we also publish them in the Equality and Diversity section of our website. This will help people to see for themselves how we have paid due regard in order to meet statutory requirements.

Name of Directorate and Service Area	North Yorkshire County Council: Central Services
Lead Officer and contact details	Howard Emmett - Assistant Director – Strategic Services
Names and roles of other people involved in carrying out the EIA	Sally Dunn – Head of Finance (Schools, Early Years & High Needs)
How will you pay due regard? e.g. working group, individual officer	The proposal is subject to a special school only consultation process from 22nd September 2021 ending 22nd October 2021 and this EIA will be updated during and following the consultation responses.

	The item will be discussed at the North Yorkshire School Forum meetings on 16th September 2021 and 11th November 2021
When did the due regard process start?	In setting Special School Funding each year, it is necessary to consider the level at which the Minimum Funding Guarantee (MFG) is set within the parameters determined by the DfE. This EIA considers this issue in respect of 2022-23 School Funding.

Section 1. Please describe briefly what this EIA is about. (e.g. are you starting a new service, changing how you do something, stopping doing something?)

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 in the school remain the same. The Department for Education has proposed a protection level of 0% for 2022-23. The Local Authority is also considering an alternative option of setting a higher MFG (+2%) and is seeking views of the special schools on this issue.

Section 2. Why is this being proposed? What are the aims? What does the authority hope to achieve by it? (e.g. to save money, meet increased demand, do things in a better way.)

MFG has a vital role to play in protecting special schools where either (a) the aggregate needs of pupils in their schools have changed substantially or (b) the level of funding provided to pupils has been systematically reduced. The Local Authority is concerned that applying a 0% MFG for special schools may:

- a) Disadvantage special schools compared to the MFG protection level of between +0.5% and +2% for mainstream schools
- b) Lead to a reduction in funding to schools in real terms, which may have an impact on their current pupils

Section 3. What will change? What will be different for customers and/or staff?

Customers

If the +2% MFG option is selected, it may result additional funding for a special school in North Yorkshire. This may have a positive impact on current pupils attending the school.

If the 0% MFG option is selected, it may result in a reduction in funding in real terms for a special school, which may mean changes will be made to the provision of current pupils attending that school.

Section 4. Involvement and consultation (What involvement and consultation has been done regarding the proposal and what are the results? What consultation will be needed and how will it be done?)

The consultation document is being sent to all special schools inviting responses to be returned to the LA by 22nd October 2021. The responses and results from the consultation

exercise will be presented to the Schools Forum on 11th November 2021. This EIA will be monitored during the consultation and will continue during the process of collating and analysing all consultation feedback.

Section 5. What impact will this proposal have on council budgets? Will it be cost neutral, have increased cost or reduce costs?

Please explain briefly why this will be the result.

A 0% MFG is estimated to increase the High Needs Budget expenditure by £153.3k and a +2% MFG is estimated to increase the High Needs Budget expenditure by around £378.5k, contributing to the underlying funding gap on the High Needs Block which, based on current information, is projected to be between £1.5m to £2.5m.

The resulting deficit will be cash flowed by the Local Authority and carried forward, with the expectation that it will be repaid by surpluses in High Needs Block funding in future years.

Section 6. How will this proposal affect people with protected characteristics?	No impact	Make things better	Make things worse	Why will it have this effect? Provide evidence from engagement, consultation and/or service user data or demographic information etc.
Age		✓	✓	There are around 1080 children and young people aged 0-19 in North Yorkshire special schools who are affected by the proposal. The level of the MFG could positively or negatively impact on the level of funding for a special school, which may mean changes will be made to the provision of current pupils attending that school.
Disability		✓	✓	The level of the MFG could positively or negatively impact on the level of funding for a special school, which may mean changes will be made to the provision of current pupils attending that school.
Sex (Gender)		✓	✓	The population of young people attending special schools in North Yorkshire is higher among boys; proportionally more boys may be negatively affected than girls.
Race	✓			No identifiable effect, as this characteristic is not a factor in determining young people attending special schools.
Gender reassignment	✓			No identifiable effect, as this characteristic is not a factor in

				determining young people attending special schools.
Sexual orientation	✓			No identifiable effect, as this characteristic is not a factor in determining young people attending special schools.
Religion or belief	✓			No identifiable effect, as this characteristic is not a factor in determining young people attending special schools.
Pregnancy or maternity	✓			No identifiable effect, as this characteristic is not a factor in determining young people attending special schools.
Marriage or civil partnership	✓			No identifiable effect, as this characteristic is not a factor in determining young people attending special schools.

Section 7. How will this proposal affect people who...	No impact	Make things better	Make things worse	Why will it have this effect? Provide evidence from engagement, consultation and/or service user data or demographic information etc.
..live in a rural area?	✓			No identifiable effect, as this characteristic is not a factor in determining young people attending special schools.
...have a low income?	✓			No data available at time of writing to show there is a greater impact on those children with SEND and families with low incomes.

Section 8. Will the proposal affect anyone more because of a combination of protected characteristics? (e.g. older women or young gay men) State what you think the effect may be and why, providing evidence from engagement, consultation and/or service user data or demographic information etc.

It is anticipated proposed changes to the current provision will impact more on the following:
Young people with special educational needs and disabilities

If the 0% MFG option is selected, it may result in the reduction in funding in real terms for pupils attending a special school, which may mean changes will be made to their current provision. The Local Authority is providing an inflationary uplift in the top-up and contextual funding rates as a possible mitigation. Further work will be undertaken, once proposal has been through the decision making process.

Section 9. Next steps to address the anticipated impact. Select one of the following options and explain why this has been chosen. (Remember: we have an anticipatory duty to make reasonable adjustments so that disabled people can access services and work for us)	Tick option chosen
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1. No adverse impact - no major change needed to the proposal. There is no potential for discrimination or adverse impact identified.	
2. Adverse impact - adjust the proposal - The EIA identifies potential problems or missed opportunities. We will change our proposal to reduce or remove these adverse impacts, or we will achieve our aim in another way which will not make things worse for people.	
3. Adverse impact - continue the proposal - The EIA identifies potential problems or missed opportunities. We cannot change our proposal to reduce or remove these adverse impacts, nor can we achieve our aim in another way which will not make things worse for people. (There must be compelling reasons for continuing with proposals which will have the most adverse impacts. Get advice from Legal Services)	✓
4. Actual or potential unlawful discrimination - stop and remove the proposal – The EIA identifies actual or potential unlawful discrimination. It must be stopped.	
<p>Explanation of why option has been chosen. (Include any advice given by Legal Services.)</p> <p>The actual impact will not be known until the budget determinations are made.</p> <p>During the consultation and decision making process there will be ongoing consideration to any equality impacts that arise, and how these can be mitigated.</p>	

Section 10. If the proposal is to be implemented how will you find out how it is really affecting people? (How will you monitor and review the changes?)

In addition to the regular monitoring and reporting of finances to the School Forum, the Strategic SEND Plan sets out a comprehensive countywide North Yorkshire Inclusion Partnership model which will make sure there is a strategic vision across North Yorkshire.

The membership will include as well as LA senior officers both senior representatives from education providers across the 0-25 age range and parents/carers.

Section 11. Action plan. List any actions you need to take which have been identified in this EIA, including post implementation review to find out how the outcomes have been achieved in practice and what impacts there have actually been on people with protected characteristics.

Action	Lead	By when	Progress	Monitoring arrangements
1. To consider a formal consultation responses received from special schools	Howard Emmett – Asst. Director	Ongoing		
2. To present results for discussion at Schools Forum	Howard Emmett – Asst. Director	11 th November 2021		
3. Outcome of consultation considered by CYPs Executive Members in	Howard Emmett – Asst. Director	7 th December 2021		

conjunction with Corporate Director and associated proposals approved				
4. Final Decision by Full Executive on the High Needs Budget 2022/23	Final Decision by Full Executive on the High Needs Budget 2022/23	11 th January 2022		

Section 12. Summary Summarise the findings of your EIA, including impacts, recommendation in relation to addressing impacts, including any legal advice, and next steps. This summary should be used as part of the report to the decision maker.

The Equality Impact Assessment has assessed the impact of the proposal namely

- To apply MFG of 0% or +2% for special schools budget in 2022-23
- To consider consultation responses received from all special schools in North Yorkshire over this proposal

Although it has identified that certain groups with protected characteristics are likely to be adversely affected if the 0% MFG option is selected, further work on possible mitigation will be undertaken, once the proposal has been through the decision making process.

Section 13. Sign off section

This full EIA was completed by:

Name: Sally Dunn
Job title: Head of Finance – Schools, Early Years & High Needs
Directorate: Central Services
Signature: Sally Dunn

Completion date: 15/09/2021

Authorised by relevant Assistant Director (signature): Howard Emmett

Date: 21/09/2021