



NORTH YORKSHIRE COUNCIL

SPECIAL SCHOOL 2027-2028 FUNDING CONSULTATION

25 September 2026 to 23 October 2026

Deadline for responses: Friday, 23 October 2026, 5pm

1.0 SUMMARY

- 1.1 The consultation is principle-based and seeks the views of Special Schools on the level of the Minimum Funding Guarantee for Special Schools for the 2027-28 financial year.

2.0 BACKGROUND

- 2.1 Special school funding arrangements for 2027-28 will be impacted by a combination of:
- uplift factors applied to Banding allocations (for top-up funding)
 - uplift factors applied to Contextual 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 in-year financial pressure in 2027-28 is in the order of £35-40m, Current indications are that, in response to national SEND reform plans, the number of children and young people assessed as requiring an Education Health and Care Plan will continue to increase over the next two years, with an associated increase in pressure on the High Needs budget. This financial pressure is felt across the SEND system in North Yorkshire and continues to represent an unsustainable position for mainstream schools and academies, special schools and special academies, other settings and provision for children and young people with additional needs and the local authority.
- 2.3 The DfE have published information on the operation of the High Needs Stability Grant, which provides local authorities with funding support in respect of overall Dedicated Schools Grant (DSG) deficits as at 31 March 2026. Allocations of the High Needs Stability Grant will be paid in Autumn 2026 subject to each local authority developing and submitting to the Department for Education a Local SEND reform plan which is then approved as meeting the required criteria. Local authorities are expected to set out a clear pathway towards an inclusive and sustainable system in line with the wider vision for SEND reform. For DSG deficits that arise in 2026-27 and 2027-28, the DfE has not yet published guidance on how they will be treated.
- 2.4 The local authority is aware of and acknowledges the financial pressure facing Special Schools and has sought to ensure protection and investment for the sector, balanced against a position of very challenging High Needs funding settlements for North Yorkshire as a whole. Any decisions around the funding for Special Schools in North Yorkshire will be considered in the context of the local authority High Needs and SEND reform programme.
- 2.5 At this time, the DfE have not yet published the High Needs funding information for the 2027-28 financial year. In this respect, in order to ensure that 2027-28 special school budgets can be published within the required timescales, North Yorkshire Council is undertaking a **principle-based** Special School funding consultation.

3.0 SUMMARY OF PROPOSALS

- 3.1 The Local Authority will carefully consider the potential rate of increase for **Banded Funding allocations** to be applied for 2027-28; this decision is clearly subject to 2027-28 High Needs Block funding settlement received from the DfE. The banded funding allocation reflects costs incurred beyond the Element 2 funding allocation of £6,000.
- 3.2 The Local Authority intention is to reflect any inflationary related change applied to the banded funding allocations to the factor elements within the **Contextual Funding** at the same level.
- 3.3 The **Minimum Funding Guarantee (MFG)** will be required to be set with the minimum and maximum thresholds prescribed by the DfE; in the 2026-27 financial year prescribed the MFG at 0%. In the event that the DfE set a maximum and minimum threshold level for the MFG for the 2027-28 financial year, the views from Special Schools are requested, on a principle- basis, as to whether minimum or maximum DfE MFG threshold should be used in North Yorkshire. The operation of the MFG is described in Section 4 below.

4.0 OPERATION OF THE MINIMUM FUNDING GUARANTEE FOR SPECIAL SCHOOLS

- 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. The DfE generally prescribe parameters that the MFG protection level for Special Schools must be set within each financial year; for the 2026-27 financial year this was prescribed at 0% (in line with maximum MFG threshold for mainstream schools). The North Yorkshire 2026-27 Special Schools MFG was set at 0%
- 4.2 In terms of NYC 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 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.
- 4.3 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.
- 4.4 The consultation seeks a principle-based view from Special Schools as to whether the MFG should be set at the DfE minimum or maximum threshold for the 2027-28 financial year, in the event that the DfE does not prescribe a fixed level for the MFG.
- 4.5 To give an understanding of the implications between setting the MFG at the minimum or maximum threshold a greater level of funding protection is provided by a maximum threshold level where there is a minimal uplift in banding and contextual funding values. The funding protection is reduced where the minimum level is used. The Special Schools MFG funding protection provided is funded from the High Needs budget and the level of funding required has an associated cost impact on the budget.

5.0 Next Steps

- 5.1 The proposal detailed in section 3 above is included in the on-line response to this consultation which can be found at: <https://survey.northyorks.gov.uk/t/7UHN1W/>

5.2 Your response needs to be submitted by: 5.00pm on Friday, 23 October 2026

5.3 The results of this consultation will be presented to members of the North Yorkshire Schools Forum for recommendations to be considered at its meeting on 19 November 2026. Schools will be notified of the outcome of this discussion and subsequent decision by the local authority.

5.4 Please contact the Schools Finance Team if you have any queries in relation to the 2027-28 Special School Funding Consultation (email: schoolsfinanceteam@northyorks.gov.uk)

The Equalities Impact Assessment for this consultation is provided in appendix 1

6.0 Consultation Questions

The consultation questions set out in the electronic survey located at: <https://survey.northyorks.gov.uk/t/7UHN1W/> are as follows:

Q1. Please indicate your preferred option in respect of the level of Special School Minimum Funding Guarantee (MFG) protection for 2027-28

Option	Minimum Funding Guarantee (MFG) %	Preferred Option (✓)
1	DfE MFG Minimum Threshold	
2	DfE MFG Maximum Threshold	

Q2: Do you have any further comments relating to the LA's proposals for special school funding for 2027-28?