

NORTH YORKSHIRE COUNCIL

EXECUTIVE

9 JANUARY 2024

MAINSTREAM SCHOOLS & SPECIAL SCHOOLS BUDGET

Report of the Corporate Director – Children and Young People’s Services

1.0 PURPOSE OF THE REPORT

- 1.1 This report asks the Executive to agree a number of recommendations relating to mainstream school and special school funding for 2024/25, as required by guidance issued by the Department for Education (DfE).
- 1.2 The recommendations in respect of mainstream schools relate to:
- Applying a Minimum Funding Guarantee (MFG) of 0.5% in the calculation of mainstream school budgets for the 2024/25 financial year.
 - The use of AWPU as the methodology for 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 use of a higher funding gains cap and higher scaling back percentage for managing the recovery of any funding shortfall on the Schools Block DSG after the calculation of the school funding formula using NFF values. In the event of any funding shortfall being too significant to manage through the use of the capping and scaling mechanism, the Corporate Director – Resources and the Corporate Director – Children & Young People’s Service, in consultation with the Chair of the Schools Forum, will determine a school funding methodology that delivers affordability within the 2024/25 Schools Block DSG and associated reserves.
 - Proposed changes to the notional Special Educational Needs (SEN) budget local funding formula calculation to reflect the funding requirements with North Yorkshire and comply with the funding formula validation requirements.
 - The inclusion of an exceptional circumstance lump sum of £50,000 for very small sparse secondary schools, which would otherwise be unable to attract sufficient funding to remain viable, in the 2024/25 North Yorkshire school funding formula.
 - The transfer of 0.5% of funding from the Schools Block Dedicated Schools Grant (DSG) to the High Needs Block.
- 1.3 These recommendations have been informed by the views of schools during a county-wide consultation and considered and agreed by the North Yorkshire Schools Forum.
- 1.4 The recommendations in respect of special schools, pupil referral service and alternative provision settings relate to:
- The implementation of a MFG funding protection of +0.5% for special schools for the 2024/25 financial year. The MFG is not applicable to PRU.
 - The application of a +1.9% increase to the 2023/24 banded / Element 3 funding values for the 2024/25 financial year.
 - Applying an increase of +1.9% to the Banded Funding allocations (top up/ ‘element 3’ allocations) received by mainstream and special schools and academies for the 2024/25 financial year.

- Applying an increase of +1.9% to the Banded Funding allocations (top up / element 3 allocations) received by pupil referral units and alternative provision settings for the 2024/25 financial year.
- Applying an increase of +1.9% to the factor elements within the Special school contextual funding for the 2024/25 financial year.
- The application of a +1.9% increase to the 2023/24 rate for residential special school placements for the 2024/25 financial year.

1.5 The report also asks the Executive to agree to continue to lobby central government for a fairer and more equitable funding settlement for schools in North Yorkshire.

2.0 BACKGROUND

2.1 In July 2023 the Department for Education (DfE) provided information in relation to National Funding Formula (NFF) developments for the 2024-25 financial year. Subsequently, on 6 October 2023, the DfE provided revised 2024/25 school funding information after the identification of an error made by DfE officials during the initial calculations of the NFF and processing of forecast pupil numbers. Nationally, the overall cost of the core schools budget is 0.62% greater than originally allocated resulting in the funding through the mainstream schools national funding formula (NFF) increasing by 1.9% per pupil in 2024-25, compared to 2023-24; the original increase announced in July 2023 was 2.7% per pupil. The key NFF updates for the next financial year are as follows:

- The core factors in the schools NFF (basic entitlement, low prior attainment (LPA), FSM6, income deprivation affecting children index (IDACI), English as an additional language (EAL), mobility, sparsity and the lump sum) will increase by 1.4%.
- A 1.6% increase to the free school meals (FSM) factor value
- Rolling the 2023-24 mainstream schools additional grant (MSAG) into the NFF by:
 - adding an amount representing what schools receive through the grant into their baselines
 - adding the value of the lump sum, basic per pupil rates and free school meals Ever 6 (FSM6) parts of the grant onto the respective factors in the NFF
 - uplifting the minimum per pupil values by the mainstream schools' additional grant's basic per-pupil values and an additional amount which represents the average amount of funding schools receive from the FSM6 and lump sum parts of the grants.
- The minimum per pupil funding levels will ensure that every primary school receives at least £4,610 per pupil, and every secondary school at least £5,995 per pupil. The minimum per pupil funding levels are mandatory in 2024-25. The funding values include £143, £186 and £208 per primary, KS3 and KS4 pupils respectively for the rolling in of the MSAG, plus a further 1.4% increase. The average amounts in respect of the supplement grant reflect the average level of funding these schools currently attract through the grant.
- The introduction of a new national formulaic approach for the allocation of split site funding.
- Every school will be allocated at least 0.5% more pupil-led funding per pupil compared to its 2023-24 baseline.
- Local authorities are able to continue to set a Minimum Funding Guarantee (MFG) in local formulae, which in 2024-25 must be between +0% and +0.5%
- Following the cancellation or incompleteness of Key Stage 2 assessments in summer 2020 and summer 2021 due to coronavirus (COVID-19), local authorities will not be able to use this data as part of setting a low prior attainment factor in local funding formulae. Instead, local authorities will use 2019 assessment data as a proxy for the missing assessments in 2020, and 2022 attainment data as a proxy for the missing assessments in 2021. (This is a change from the 2023-24 methodology where 2019 was used as the proxy for 2021)

- Local authorities continue to be able to transfer up to 0.5% of their schools' block to other blocks of the Dedicated Schools Grant (DSG), with school's forum approval. A disapplication request is required for transfers above 0.5%, or for any amount without school's forum approval.

2.2 The DfE require 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. The DfE guidance recommends that a review of the notional SEN budget calculation for 2024-25 is undertaken to ensure that the identified funding is sufficient for the reasonable additional costs that may be incurred by schools. The DfE require local authorities to subsequently review the notional SEN budget calculation on an annual basis. The 2024/25 North Yorkshire School Funding consultation requested the views from mainstream schools and academies on a proposal to change the notional SEN budget calculation to better reflect the notional SEN budget funding requirements within North Yorkshire schools and academies, to align to the average notional SEN budget funding levels and funding formula factor weightings of other local authorities with similar characteristics to North Yorkshire, to reflect the operating context and diversity of schools and academies within North Yorkshire, and to 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 proposed changes to the North Yorkshire notional SEN funding formula are detailed in the table below:

Formula Factor	2024/25 Proposed North Yorkshire Use & Weighting	<i>2023/24 North Yorkshire Use & Weighting (For information)</i>
Primary Basic Entitlement (AWPU)	5.20%	<i>0.39%</i>
KS3 Basic Entitlement (AWPU)	3.50%	<i>0.48%</i>
KS4 Basic Entitlement (AWPU)	3.50%	<i>0.48%</i>
FSM	0.00% (P)	<i>17.10% (P)</i>
	0.00% (S)	<i>23.30% (S)</i>
FSM6	30.00% (P)	<i>17.10% (P)</i>
	30.00% (S)	<i>23.30% (S)</i>
IDACI	20.00% (P)	<i>5.00% (P)</i>
	20.00% (S)	<i>7.20% (S)</i>
EAL	0.00% (P)	<i>0.00% (P)</i>
	0.00% (S)	<i>0.00% (S)</i>
Mobility	30.00% (P)	<i>32.00% (P)</i>
	30.00% (S)	<i>59.00% (S)</i>
Prior Attainment	100.0% (P)	<i>100.00% (P)</i>

	100.0% (S)	<i>100.00% (S)</i>
Lump Sum	5.20% (P)	<i>0.00% (P)</i>
	3.50% (S)	<i>0.00% (S)</i>
Sparsity	0.00% (P)	<i>0.00% (P)</i>
	0.00% (S)	<i>0.00% (S)</i>
Exceptional Circumstance	0.00%	<i>0.00%</i>
MPPL	0.00%	<i>0.00%</i>
MFG	0.00%	<i>0.00%</i>
Notional SEN Budget Funding Per Mainstream Pupil (based on 2023/24 funding rates)	£613.72	<i>£417.80</i>

P=Primary S=Secondary

- 2.3 A 0.5% transfer of funding from the Schools Block to the High Needs budget is proposed for the 2024/25 financial year. North Yorkshire Council is forecasting a cumulative budget deficit of c£13m on the High Needs budget by 31 March 2024. 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 2024-25 is estimated to be £7.6m 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 DfE. The local authority has been identified as one of 55 local authorities to receive support through the DfE Delivering Better Value (DBV) programme. The programme will see North Yorkshire receive support, in the form of project management and change management capacity to develop a three-year transformational programme to address the financial pressures on the High Needs budget, with the DfE providing grants directly to North Yorkshire to enable the local authority to implement and embed reforms, with ongoing support and challenge by DfE officials. Given the significance of the levels of concern, at both local authority level and national DfE level, in relation to the High Needs budget deficit position within North Yorkshire, the local authority feels that the transfer of 0.5% from the Schools Block DSG to the High Needs Budget for the 2024/25 financial year must be considered as part of the overall financial recovery plan strategy for the High Needs Budget.
- 2.4 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 remain the same. For 2024/25 DfE have prescribed that the MFG protection level for special schools must be set within the boundaries of between 0% and 0.5%, which is in line with mainstream schools. The 2024/25 North Yorkshire Special School Funding consultation requested the views from special schools and academies as to the level of the Special School MFG for the 2024/25 financial year.
- 2.5 In practical terms and, if required, the Council will utilise the mechanism, allowed by the DfE, of capping and scaling to ensure the local school funding formula based on mainstream NFF formula factors values as issued by the DfE in published notional budgets is affordable within the constraints of the final agreed funding envelope.

3.0 MAINSTREAM SCHOOL FUNDING

3.1 A local funding consultation requested the views of mainstream 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 2023/24 financial year and the 2024/25 financial year.
- The methodology to be used to deal with any funding surplus or shortfall on the 2024/25 schools' block Dedicated Schools Grant (DSG) after the calculation of school budgets.
- Changes to the notional Special Educational Needs (SEN) budget local funding formula calculation for 2024/25
- A transfer of 0.5% funding from the Schools Block DSG to the High Needs Block budget for the 2024/25 financial year

The consultation results are detailed in the table below:

Option	MFG %	No. Responses Received Supporting Option	No. Schools Represented in Responses Supporting Option
Option 1	0%	10	14
Option 2	0.5%	25	43
		35	57
Option	Methodology for the Allocation of Any Surplus Funding		
Option 1	Age Weighted Pupil Unit (AWPU) values increased	20	34
Option 2	Lump Sum Formula Factor Value increased	15	23
		35	57
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	22	24
Option 2	A higher gains cap percentage and a higher scaling back of gains percentage	13	33
		35	57
Option	Proposed Changes to the Calculation of the Notional SEN Budget		
Option 1	Supported	25	46
Option 2	Not Supported	9	9
		34*	55*
Option	Proposed Transfer of 0.5% from the Schools Block DSG to the High Needs Block	No. Responses Received Supporting Option	No. Schools Represented in Responses Supporting Option
Option 1	Supported	16	23
Option 2	Not Supported	19	34
		35	57

*The Primary Federation (representing 2 schools) did not provide a response to this question

- 3.2 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 0.5% MFG best reflects the DfE 'direction of travel' and reflects 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 DSG 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 and there is 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.
- 3.3 The local authority acknowledges 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 to address the forecast budget overspend of c.£20.0m on the High Needs budget by 31 March 2025. In this respect, the local authority sought approval from the Schools Forum for the transfer of 0.5% (estimated £2.18m) of funding from the Schools Block DSG to the High Needs Block. In order to partially mitigate the impact of the proposed transfer on school budgets, the local authority is proposing the following support measures:
- Distribution of up to £0.5m from the Schools Block DSG General Reserve to school budgets in the event of a funding shortfall on the 2024/25 school budget calculation (agreed by the Schools Forum at the September 2023 meeting)
 - Release of the annual £0.5m funding allocation for core basic need Pupil Growth funding to school budgets for the 2024/25 financial. It is proposed to fund any basic need Pupil Growth requirements from the associated reserve.
 - 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 2024/25 financial year.
- 3.4 The North Yorkshire Schools Forum considered the results of the 2024/25 School Funding Consultation at their meeting on the 23 November 2023. The Schools Forum supported:
- A MFG of 0.5% for 2024/25
 - The use of AWPu as the methodology for 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 use of a higher funding gains cap and higher scaling back percentage for managing the recovery of any funding shortfall on the Schools Block DSG after the calculation of the school funding formula using NFF values.
 - The proposed changes to the notional Special Educational Needs (SEN) budget local funding formula calculation for 2024/25. The proposed 2024/25 notional SEN funding formula is as detailed in section 2.2 of this report.
 - The local authority proposal to transfer 0.5% of funding from the Schools Block DSG to the High Needs Block for the 2024/25 financial year.
- 3.5 At its September 2023 meeting, the North Yorkshire Schools Forum supported the submission of an application to the ESFA to include an exceptional circumstance of up to £50,000 for very small sparse secondary schools, which would otherwise be unable to attract

sufficient funding to remain viable, in the 2024/25 North Yorkshire school funding formula. Local authorities can only make an application for this where schools have:

- pupils in years 10 and 11
- 350 pupils or fewer
- a sparsity distance of 5 miles or more

The ESFA have confirmed approval of the application request. At this stage, it is considered that no schools will be eligible to receive this funding.

4.0 TEACHERS PAY ADDITIONAL GRANT

4.1 The DfE have provided additional grant funding through the Teachers Pay Additional Grant (TPAG) to support schools in meeting the costs of the 2023-24 teachers pay award of 6.5%. The additional grant is intended to fund the cost of the pay award above 3.5%. The TPAG will be paid as a separate grant for the period September 2023 to March 2024 and the 2024-25 financial year. The TPAG base funding rates for mainstream schools for the 2023-24 financial year are as follows:

- a basic per-pupil rate of £36 for primary pupils, including pupils in reception
- a basic per-pupil rate of £50 for key stage 3 pupils
- a basic per-pupil rate of £57 for key stage 4 pupils
- a lump sum of £1,345
- an FSM6 per-pupil rate of £31 per eligible primary pupil
- an FSM6 per-pupil rate of £45 per eligible secondary pupil

The grant funding rates for the 2024-25 financial year will be paid at 12/7ths of the 2023-24 rates.

5.0 SPECIAL SCHOOL FUNDING

5.1 Special school funding arrangements for 2024/25 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.

5.2 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 2024-25 is in the order of £7.5m that will add to the estimated accumulated High Needs Deficit of £13m as at 31 March 2024. Unchecked, this will lead to an accumulated deficit of c.£20m by 31 March 2025. Projections beyond 2024/25 show an increased number of children and young people assessed as requiring an Education Health and Care Plan with an associated increase in pressure on the High Needs budget. This financial pressure is felt across the SEND system in North Yorkshire and represents 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.

5.3 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. Any decisions around the funding for Special Schools in North Yorkshire will be taken in conjunction with participation in the Delivering Better Values in SEND programme.

5.4 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 remain

the same. For 2024-25 DfE have prescribed that the MFG protection level for special schools must be set within the boundaries of between 0% and 0.5%, which is in line with mainstream schools.

- 5.5 The local authority has consulted special schools and academies within North Yorkshire on MFG protections levels of 0% and 0.5% for the 2024/25 financial year. 3 out of the 10 special school and academies within North Yorkshire provided a response to the 2024/25 funding consultation. The consultation results are detailed in the table below:

Option	MFG %	No. Responses Received Supporting Option
A	0%	0
B	0.5%	3
Total Responses		3

- 5.6 The North Yorkshire Schools Forum considered the results of the 2024/25 Special School Funding Consultation at their meeting on the 23 November 2023. The Schools Forum supported a Special Schools MFG level of 0.5% for the 2024/25 financial year. The Special School MFG is not applicable to Pupil Referral Units (PRU). The estimated cost of the application of the 0.5% MFG compared to 0.0% MFG for 2024/25 is £60k, based on current pupil levels at North Yorkshire Special Schools.

- 5.7 The table below provides details of the impact of the proposed 0.5% MFG funding protections at individual school level:

School	2024/25 0.5% MFG
Brompton Hall	£0
Welburn Hall	£37,226
The Woodlands	£0
The Dales	£23,041
Springhead	£0
The Forest	£26,927
Springwater	£7,505
Brooklands	£22,195
Mowbray	£0
Forest Moor	£135,205
TOTAL COST	£252,099

It needs to be noted that 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).

- 5.8 The DfE High Needs guidance makes no provision for the application of the MFG for alternative provisions.
- 5.9 A proposed inflationary uplift of 1.9% will be applied to Element 3 top-up funding and the contextual funding received by Special Schools for the 2024/24 financial year. In determining the proposed inflationary uplift, the local authority is very mindful of both the significant inflationary pressures being experienced by schools and the deficit position on the local authority High Needs Block funding. The proposed increase is reflective of the DfE NFF increase for mainstream schools for the 2024/25 financial year. This proposed rate of

increase will be applied to Special Schools, mainstream schools and other settings in receipt of High Needs funding.

- 5.10 The new rates of funding are detailed below; these rates will apply across all settings in receipt of top-up funding.

	Funding Rates 2023-24	Funding Rates 2024-25 (including +1.9% increase)
Band 3	£0	£0
Band 4	£1,810	£1,850
Band 5	£3,990	£4,070
Band 6	£5,770	£5,880
Band 7	£8,820	£8,990
Band 8	£10,530	£10,740
Band 9	£14,620	£14,900
Band 10	Bespoke	Bespoke

- 5.11 It is proposed to increase the factor elements within the Contextual Funding by the assumed inflationary increase of +1.9%.
- 5.12 The uplift of +1.9%, proposed to be applied to the banded funding rates, is also proposed to be applied to the top-up funding allocation of £9,007 for pupil referral unit (PRU) and alternative provision (AP) settings. This will increase the top-up funding allocation for these settings to £9,178 for the 2024/25 financial year.
- 5.13 The current rate of funding in respect of placements in residential special schools for the residential component of the provision is £19,939 per annum. In the 2024/25 financial year, this funding will only apply to a small number of pupils in Brompton Hall's residential provision during the summer 2024 term before that provision is discontinued. This is because the residential provision at Welburn Hall has been paused for two academic years as a result of the major reactive repairs and maintenance programme in place at the school. It is proposed that the residential funding rate should be increased from £19,939 by +1.9% (in line with the proposed increase for Element 3 allocations) to £20,318 per annum

6.0 FINANCIAL IMPLICATIONS

- 6.1 The required funding for school budgets and high needs is provided from the Schools Block DSG, the Schools Block DSG Reserve and the High Needs Block DSG. There is no direct impact on the Council's budget as a result of the proposals detailed for school and high needs budgets for the 2024/25 financial year.
- 6.2 There is an impact on individual schools in terms of how the funding will be allocated. No mainstream school will receive less than the mandatory Minimum Per Pupil Level (MPPL) of funding. A comparison of the impact on schools for each of the proposed options was illustrated at individual mainstream school level as part of the consultation.
- 6.3 The proposed school funding arrangements will provide the maximum funding guarantee for 2024/25 permitted within the parameters established by the Department for Education. The funding outlook remains challenging for a number of schools - particularly small, rural secondary schools and special schools. The local authority continues to lobby for a fairer funding deal for schools in North Yorkshire, particularly those rural schools who cannot achieve the economies of scale of their more urban counterparts, whilst delivering a broad curriculum. The local authority continues to support, challenge and, where necessary,

intervene in schools to ensure the continued delivery of good quality education in financially sustainable schools.

7.0 LEGAL IMPLICATIONS

- 7.1 No specific legal implications are identified as a result of the recommendations contained within this report. The DfE have a deadline of 22 January 2024 for the submission of mainstream school budgets (following political approval).

8.0 EQUALITIES IMPLICATIONS

- 8.1 An Equality Impact Assessments (EIA) have been completed in respect of the proposals contained within this report. It is anticipated that there will be no impact on any persons with protected characteristics as defined by the Equality Act 2010. The EIA are provided in Appendix 1.

9.0 CLIMATE CHANGE IMPLICATIONS

- 9.1 Climate Change Impact Assessments (initial screening form) have been completed in respect of the proposals contained within this report. There are no specific climate change implications identified with the proposals.

10.0 CONSULTATION UNDERTAKEN AND RESPONSES

- 10.1 A consultation was undertaken with all mainstream schools and academies in North Yorkshire, following discussions with the North Yorkshire Schools Forum.
- 10.2 This consultation lasted from 22nd September 2023 until 8th November 2023. 35* responses have been received to the Consultation, as shown below.

LA Maintained Primary	19
LA Maintained Primary Federation	1
LA Maintained Secondary	7
Primary Academy	2
Secondary Academy	2
Academy Trust	4
	<hr/>
	35
	<hr/>

(57 schools and academies are represented in the responses received providing an overall response rate of 16.81% (14.14% LA maintained schools, 20.57% academies). 282 schools / academies are not represented in the consultation responses.

The LA maintained primary federation represents 2 schools. Four academy trusts have responded to the consultation representing 11, 6, 5 and 3 North Yorkshire academies respectively.

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

10.3 The local authority has consulted special schools and academies within North Yorkshire on MFG protections levels of 0% and 0.5% for the 2024/25 financial year. 3 out of the 10 special school and academies within North Yorkshire provided a response to the 2024/25 funding consultation. The consultation results are detailed in the table below:

Option	MFG %	No. Responses Received Supporting Option
A	0%	0
B	0.5%	3
Total Responses		3

11.0 RECOMMENDATIONS

11.1 The Executive is asked to note the contents of this report, and to agree:

- a. That the Council applies a Minimum Funding Guarantee (MFG) of +0.5% in the calculation of mainstream school budgets for the 2024/25 financial year.
- b. That the Council uses age weighted pupil units (AWPU) as the methodology for the allocation to school budgets of any surplus funding available within the Schools Block DSG after the calculation of the school funding formula using National Funding Formula (NFF) values for the 2024/25 financial year
- c. That the Council uses a higher funding gains cap and higher scaling back percentage for managing the recovery of any funding shortfall on the Schools Block DSG after the calculation of the school funding formula using NFF values for the 2024/25 financial year. In the event of any funding shortfall being too significant to manage through the use of the capping and scaling mechanism, the Corporate Director – Resources and the Corporate Director – Children & Young People’s Service, in consultation with the Chair of the Schools Forum, will determine a school funding methodology that delivers affordability within the 2024/25 Schools Block DSG and associated reserves.
- d. That the Council implements the changes, as detailed in section 2.2 of this report, to the notional Special Educational Needs (SEN) budget local funding formula calculation for the 2024/25 financial year to reflect the funding requirements with North Yorkshire and comply with the funding formula validation requirements.
- e. That the Council includes an exceptional circumstance lump sum of £50,000 for very small sparse secondary schools (which would otherwise be unable to attract sufficient funding to remain viable) in the 2024/25 North Yorkshire school funding formula. The estimated £50k additional funding requirement to be funded from the DSG Schools Block Reserve.
- f. That the Council transfers 0.5% of funding from the Schools Block Dedicated Schools Grant (DSG) to the High Needs Block.
- g. That the Council applies MFG funding protection of 0.5% for special schools for the 2024/25 financial year.

- h. That the Council applies an increase of +1.9% to the Banded Funding allocations (top up/ 'element 3' allocations) received by mainstream and special schools and academies for the 2024/25 financial year.
- i. That the Council applies an increase of +1.9% to the Banded Funding allocations (top up / element 3 allocations) received by pupil referral units and alternative provision settings for the 2024/25 financial year.
- j. That the Council applies an increase of +1.9% to the factor elements within the Special school contextual funding for the 2024/25 financial year.
- k. The application of a +1.9% increase to the 2023/24 rate for residential special school placements for the 2024/25 financial year.
- l. That the Council will continue to push for a fairer and more equitable funding settlement for schools in North Yorkshire. We will also continue to lobby for a fairer settlement of High Needs resources.

Stuart Carlton
Corporate Director – Children and Young People's Service
County Hall
Northallerton

January 2024

Author of report – Howard Emmett, Assistant Director – Strategic Resources

Background Documents:

Reports to the North Yorkshire Schools Forum:

- 16 March 2023
- 18 May 2023
- 21 September 2023
- 23 November 2023

<http://cyps.northyorks.gov.uk/nyep-meetings-and-agendas>