

Minutes - Sheffield Education Funding Forum

3.00-5.00pm, 18 December 2024 at Learn Sheffield

Chair: Keith Crawshaw

Schools Forum Members:

Primary Heads Representatives

- Nigel Brooke-Smith (Greystones)
- Helen Kenyon (Pipworth)
- Chris Holder (Lowfield)

Primary Governors

- Alison Warner (Grenoside)

Secondary Head

- Linda Gooden (King Edward VII)

Non-school Members

- Stephen Betts, Learn Sheffield
- Andy Krabbendam, Faith Sector (Clifford All Saints)
- Fiona Hawksley/Lisa Smith, Trade Unions
- Karen Simpkin, Early Years providers (Sunflower Children's Centre)
- Sarah Le-Good/James Smythe, 16-19 Sector (Sheffield College)

Academies

- Keith Crawshaw (Sheffield South East Trust)
- Jim Dugmore (Peak Edge Academy Trust)
- Neil Miley (Mercia Learning Trust)
- Morag Somerville (Steel City Schools Partnership)
- Nevine Towers (Diocese of Sheffield Academy Trust)
- Vacant seat

Special Academies

- Joel Hardwick (Nexus Multi-academy Trust)

Special Schools

- Aileen Hosty/Laura Rzepinski (Bents Green)
- 1 x vacant seat

PRU

- Rhona Dodds/Alan Richards (Sheffield Inclusion Centre)

Apologies: Rhona Dodds/Alan Richards, Jim Dugmore, Linda Gooden, Fiona Hawksley/Lisa Smith, Joel Hardwick, Helen Kenyon, Morag Somerville, Nevine Towers, Alison Warner

Also in attendance: Patrick Butterell, Interim Director of EY, Education and Skills; Cllr Dale, Chair of the Education, Children and Families Policy Committee; Amanda Murray, EY, Education and Skills (notes); Mark Sheikh, Head of Service, Resourcing and Business Planning

Presenters: Jacky Beatson, Resourcing Manager; Polly McKinlay, Strategic Commissioning Manager; Matt Peers, Head of Commissioning – Education and Childcare, Integrated Commissioning Service; Rose Ward, Strategic Commissioning Manager, Early Intervention and Prevention

Observers: James Wright, CFO, Astrea Academy

1. Welcome, apologies and declarations of interest

Apologies were noted as per above and no declarations of interest were made.

2. Previous meeting minutes/matters arising

The minutes were agreed as a true and accurate record. The following matters arising were raised:

Action page 3

Meredith Dixon-Teasdale and Karen Simpkin have not yet met, but a meeting is in the process of being arranged.

Early Years Letter to Secretary of State

A response has now been received, but it does not address our specific concerns.

Action: Mark Sheikh to follow up requesting a more specific response.

3. Indicative Budgets 2025/26

Mark presented the paper on Jacky Beatson's behalf – as per the presentation:

- The allocation is indicative and was only released towards the end of November.
- The Funding Working Group has met to discuss the allocation, principles and models.
- Slide 2 shows the illustrative Dedicated Schools Grant (DSG) for 2025/26 compared to 2024/25. The figures in red are still indicative. Grants have now been rolled in.
- The early years increase of 46.7%, detailed on slide 4, is to allow for the planned expansion of provision. However, the hourly rate funding is still insufficient.
- The Schools Block (slide 4) will see a net cash increase of £9.6m = 2.02%.
- The High Needs Block will receive an increase of £9.6m (9.17%) but the funding is not keeping pace with demand. We are forecasting an overall cumulative deficit for 2025/26 and possibly also for 2024/25. More information will be available at the February Forum.
- The Central Services Schools Block (CSSB) – slide 6 – has two elements: Ongoing Responsibilities and Historic Commitments which total a negative variance for 2025/26 of £404k. The Historic Commitments element which provides support for the Prevention and Early Intervention Strategy, continues to reduce and Sheffield City Council has covered this shortfall through a cash limit allocation.
- Key changes to Schools Block are noted on slide 7:
 - The Minimum Funding Guarantee (MFG) is set nationally between -0.5% and 0%.
 - The Split Site Funding will sit outside the funding floor (MFG). Jacky to provide more information about this.
 - Income Affecting Children Index (IDACI) is still based on 2019 data which is of concern.
- The overall schools' budget will be £488m after deductions for Growth and the transfer to the High Needs Block.

- Our principles of transition to the National Funding Formula (NFF) are shown on slide 9.
- Our approach is that we continue to focus on deprivation, whilst providing an increase to all schools and ensuring that small schools benefit. We are proposing slightly different Lump Sums for primary and secondary to help protect smaller schools.
- Slide 11 provides a summary of the models prepared for the Funding Group. The Group had a robust discussion and recommends Model 3 – this provides £20 additional Age Weighted Pupil Unit (AWPU) and an additional £5k to the primary Lump Sum, maximises Social Deprivation factors as affordable, and recognises the increasing complex needs of pupils.
- The tables on slide 12 show the investment required to match the NFF and the distribution of the additional funding for primary and secondary – the majority is being invested into pupil numbers (AWPU).
- Slide 13 shows examples of the impact on different size schools with differing levels of social deprivation.
- The timeline shows the budget process – final budgets will be ratified by the Education Funding Forum on 26 February.

Forum discussion raised the following points:

- We do not yet have detail around the National Insurance increase grant.
- When the IDACI data set is updated, we will need to move funding from elsewhere in the system.
- Deprivation is defined by the child's postcode and so funding will follow a child who attends a school outside of their catchment area.
- Correction noted to the model heading on slide 13 – should read AWPU + £20.
- The Chair emphasised that the Funding Group looked at the position for the city as a whole when recommending the model and acknowledged that we still have an NFF shortfall (£3.6m). The aim was to ensure we strike a balance between helping with deprivation and helping small schools to ensure stability. However he acknowledged that the outcome of option 3 seemed a little at odds with the need to prioritise deprivation.
- It was suggested that SCC be more explicit about their contribution to the CSSB.
- Only 11 schools show as being worse off with Model 3, but the rationale for the proposals should be clearer.
- When looking at the list of impact on all schools, clarification is sought on the reasons for those with no cash difference – Jacky to clarify.

Action: Jacky Beatson to provide more information on Split Site funding and to clarify the reasons why some schools show no cash difference when Model 3 is applied.

The Forum approved that Model 3 be applied for the calculation of the mainstream school budget shares.

4. **Redirection of 0.5% to High Needs Block for 2025/26**

Mark Sheikh summarised Paper 4:

- The Forum has previously approved a transfer of £1.5m to the High Needs Block from the Schools Block.

- As of 2022, it was agreed that this be used to provide support to mainstream via locality funding.
- We need an additional £20m for the High Needs Block and will receive an additional allocation of £9.6m in 2025/26.
- We are therefore proposing to transfer the maximum amount of £2.4m (0.5%) of Schools Block for 2025/26 to enable us to continue to afford the existing investment levels.
- Schools have been consulted and 82% are in favour of the continued redirection of funds. Concerns were expressed by respondents around the levels of overall funding.

Forum discussion can be summarised as follows:

- The system is no longer affordable – there is under-investment and demand is rising.
- The deficit is hidden across individual schools, whereas others have reserves – definition of reserves and when they should be used is required.
- The aim is to increase inclusion in mainstream schools which in turn should help reduce other costs for example transport.

The Forum noted the outcome of the consultation and approved the redirection of 0.5% (£2.4m) to the High Needs Block for 2025/26.

5. Early Years

Payment Frequency

Mark briefly summarised Paper 5a:

- Early years providers were consulted on their preference regarding implementing a monthly payment process.
- 46% of providers responded and 54% of those who responded agreed that their preference is Model 1 – 70% payment upfront as per the current payment methodology.

Forum members asked that we consider how we can engage with more early years providers and simplify our communications to the sector in future.

Action: Vicky Carr to consider sector communications and report back to the Forum.

The Forum noted the consultation outcome and approved the continuation of the existing funding arrangements.

Early Years Budget Grant

Mark asked Forum members to note that:

- An additional £419k of funding is payable to Sheffield early years providers to support with the costs of the September 2024 pay award.
- The additional funding is payable to all providers that offer 3- and 4-year-old Universal and Extended Free Entitlement Funded Early Learning participation

hours during the period 1 September 2024 to 31 March 2025. It will be paid at the rate of £0.11 per pupil hour to FEL providers and £0.50 per pupil hour for the two maintained nursery schools.

- Providers will be paid in the Autumn Amendment Headcount Task (13 December 2024). This will cover actual participation hours for the period 1st September 2024 to December 2024.

The Forum noted the increased funding rates.

Early Years Outturn Funding 2023/24

Paper 5c was summarised as follows: there was a net overspend on the early years budget of £144k in 2023/24 due to the different annual census data used for delivering funding, and this amount will be recovered next year from the sector.

The Forum noted the paper and requested that the Early Years Working Group review how this is calculated across providers to help understand the reasons for the overspend.

Action: item to be added to the agenda for the next meeting of the Early Years Working Group.

6. School Exclusions/Alternative Provision/Prevention Commissioning

Pat Butterell highlighted key points from Paper 6:

- The rate of permanent exclusions is continuing to increase - potentially 300 this year - which presents a challenge to the Sheffield Inclusion Centre which is full, with a waiting list.
- It is recognised that there is a need for radical change.
- Learn Sheffield has been commissioned to undertake a review of alternative provision. The review is due to be completed in February and a taskforce will be established to take forward the recommendations.
- The paper outlines some of the rapid response actions being taken.
- The Compass Network has been set up by Notre Dame School and runs across six secondary schools in the southwest. Schools have been able to reduce the number of pupils being excluded or suspended via the Reflect, Refresh and Restart programmes.
- Further collaboration is needed to change the system – this is a ‘call to arms’.
- Forum members are asked to engage the sector and consider if schools and trusts may be able to partner with the Council to provide physical space.
- Longer term, we are considering the possibility of devolution of funding for alternative provision to schools and localities.
- Pat will raise the issue at the heads’ meetings in January.

Forum discussion is summarised as follows:

- 45 of those permanently excluded had EHC Plans (some of which converted whilst in the Pupil Referral Unit).
- Other local authorities have been approached – not all have as higher rate of exclusions – some have a different approach to their inclusion agendas for

example Leeds. Birmingham had 600 permanent exclusions. Rotherham has alternative provision and outreach.

- Minerva has a contract for an alternative provision free school which was going to have outreach, but this has been paused.
- There is not adequate support for early years and children are being sent into schools without being ready. The early years sector would be able to cope if they had the capacity.
- Speech and language are early indicators and will inform a data-led approach for the future.
- There is a national shortage of speech and language therapists, and they are not equipped to deal with behavioural issues.
- We do not identify need very well – we are only identifying half of those that we should be - 4000 out of 8000.
- The NHS deals with the acute cases but we need a more universal offer to include, for example, teaching assistants.
- We should set a city target that no child is excluded from primary.
- There are clusters of exclusions in certain schools – a small number of schools are responsible for most of the numbers. However, it was also acknowledged that some schools are in areas of higher rates of poverty.
- To ask schools with lower levels of exclusions to share their approach. Each school has its own culture, but we could aim for a city-wide culture.
- We first need to define inclusion before we focus on numbers.
- We need to ensure these children are receiving a good standard of education.
- Cllr Dale added that we need a culture shift to work together and build relationships across the sector, and we need to communicate better with parents. We need to understand the reasons e.g. some children missed out due to the pandemic.

The Forum noted the update and that they are asked to consider and come forward with any proposal that they may have to work with the Council to improve Sheffield's provision to help ensure all children belong, thrive and attain.

7. **Breakfast Clubs**

Matt Peers asked the Forum to note the update:

- The breakfast clubs build on the national wraparound childcare programme and the national school breakfast programme.
- The Department for Education (DfE) has invited schools to take part in an early adopter scheme. Three schools in Sheffield have volunteered and these schools will be confirmed in early 2025.
- Only 11 of Sheffield's 136 primary schools do not currently offer a breakfast club and three of these offer breakfast but no childcare.
- The aims and principles of the clubs are set out in Paper 7.

The Forum noted the details of the programme and progress to date.

8. **SEND Top-up and Locality Funding Update**

Rose Ward summarised Paper 8:

- We commissioned the resource allocation system (RAS) called Formulate for SEND from Imosphere.
- We have worked with schools to generate a needs profile with banded funding. We held or arranged initial meetings to discuss the model with over 70 schools so far.
- The advisory group continues to meet to discuss the funding review and has shaped the work for 2024/25.

Mark Sheikh added that:

- Section 3 of the paper describes the proposed banded funding.
- The base rate is £12k for primary and £13k for secondary, plus the banded funding.
- We have projected the likely cost and need £9.9m for 2,250 pupils which is the minimum projection of numbers for the start of the 2025/26 year.
- We have carried out a consultation on the bands, but more understanding is required by the respondents. However, we need to move forward with the model in January and recommend that we proceed with the proposals and adjust as necessary as the model evolves.
- A pot of funding will be made available where there is an SEN need but no EHC Plan.

Forum discussion raised the following points:

- In relation to section 6 of the paper, it is important that communicate in relation to SEND holistically.
- We also need to ensure that we communicate back to those who were not in favour of the consultation.
- We grouped schools according to numbers of EHC Plans and will engage with others shortly.
- Heads in Locality F were confused and didn't understand what they were being asked as they felt they didn't have enough information.

The Forum noted the funding bands and **agreed to proceed** with the recommended funding allocation for 2025/26, ensuring that this item remains as a standing item on the agenda.

9. Growth/expansion of 2YO and under with SEN

Further to the February 2024 Forum meeting, a request was made to provide further information/clarification on the impact of the childcare reforms for children under 2-years-old. Rose summarised key points from Paper 9:

- The previous paper in February highlighted that through the reforms and expansion of the Funded Early Learning offer, there would likely be an impact on demand for early years SEN inclusion funding (EYSENIF), but this has not translated to more budget pressure.
- The EYSENIF has funded two children under 2-years-old – under 2s applications equate to 1.48% of the applications received between September and November 2024.

The Forum noted the update.

10. Falling Rolls and Growth – application of reserves

This paper was circulated for information only. However, Jim Dugmore submitted the following question by email:

Are all LA maintained schools being treated in the same manner, i.e. their reserves being pooled and then used to subsidise schools with falling rolls?

It has long been the DfE position that no school should gain or lose financially as a result of converting to academy status, and this policy (if not also applied to maintained schools) means an academy school is at a disadvantage. It also doesn't appear to take account of monies held by Trusts as a going concern, or other factors including one off grant funding for e.g. capital works that will skew the numbers in terms of a Trust reserve figure.

I'd like to know whether this policy approach is based on any DfE mandate so that I can raise this with the DfE directly.

It was confirmed that SCC does not have the rights to pool maintained schools' reserves.

Action: Mark to respond in full to Jim outside of the meeting.

11. Services to Schools – insurance prices

This item was also circulated for information only. It was noted that in a recent Education and Skills Funding newsletter, the DfE's Risk Protection Arrangement (RPA) will be £27 per pupil.

12. AOB

Karen Simpkin highlighted that the national insurance and minimum pay increases will impact upon early years settings even more.

Action: the Early Years Working Group to consider this and provide a further update.

Date of next meeting: 26 February, 3.00-5.00pm, Learn Sheffield