



Sheffield Education Funding Forum 18 December 2024 Executive Summary

Indicative Budgets 2025/26

The indicative allocation and proposed model were detailed in the presentation published with Paper 3 and are summarised as follows:

- The allocation is indicative and was only released towards the end of November.
- 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.
- 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 recommended 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.

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

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

- 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.

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.

Early Years Funding

Payment Frequency

- 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 70% payment upfront as per the current payment methodology.

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

Early Years Budget Grant

The Forum noted the increased funding rates.

- 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 were 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.

Early Years Outturn Funding 2023/24

The Forum noted that 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.

School Exclusions/Alternative Provision/Prevention Commissioning

- 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.
- Paper 6 outlines some of the rapid response actions being taken.
- 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.

The Forum noted the update and the request 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.

Breakfast Clubs Update

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

- 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.

SEND Top-up and Locality Funding Update

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 Forum agenda.

- 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.
- The advisory group continues to meet to discuss the funding review and has shaped the work for 2024/25.
- Section 3 of Paper 8 describes the proposed banded funding.
- We have carried out a consultation on the funding 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.

Updates for information only

Papers were also circulated for information only regarding:

- Growth and expansion for 2-year-olds and under with SEN.
- Falling Rolls and Growth – application of reserves.
- Services to Schools – advance notice of consultation re. insurance prices.

Forum papers are available to download via the [Sheffield Education Funding Forum](https://www.sheffield.gov.uk/schools-childcare/sheffield-education-funding-forum) webpage.

(<https://www.sheffield.gov.uk/schools-childcare/sheffield-education-funding-forum>)

You can also download a list of Forum members on this page should you wish to raise an issue/ask a question.

If you have any queries about the Education Forum, please contact:

amanda.murray@sheffield.gov.uk