

School Budgets Allocation 2025/26

Key Messages

Forum members are asked to **approve the 2025/26 budget** for mainstream primary and secondary schools set at £490m – Appendix 1, and to **note**:

- I. That the overall Individual Schools Budget (ISB) for academies and maintained schools is set at £490m, to include rates, an increase of £36m, to include rolled in grants, which amounted to £26m, providing a net increase of £10m.
- II. For mainstream schools, the various teachers' pay and pension grants have been rolled into the national core factors in the National Funding Formula (NFF) - to include basic entitlement, Free School Meals Ever6 and the Lump Sum – this has provided an increase of 7.4% for both base entitlement and Lump Sum, but 30% for free school meals.
- III. Special schools and alternative provision (AP) will receive this funding as an additional grant in 2025/26. The DfE is to provide further details in the near future.
- IV. The overall £ per pupil average for primary and secondary at £6,537 - an increase of £145 (2.3%) per pupil, over and above 2024/25 figures (incl. rolled in grants). (£6,996 – 2.1% to include Pupil Premium).
- V. The minimum per pupil funding levels: every primary school will receive at least £4,955 per pupil and every secondary school at least £6,465.
- VI. That the DfE's Education and Skills Funding Agency (ESFA) continues the transition towards NFF ensuring all LAs move at least 10% closer to the NFF within the minimum and maximum thresholds now set.
- VII. That school budgets have been produced on the basis of the agreed transition process towards the NFF and full implementation.
- VIII. That local authorities must continue to follow the new local formula requirements for Growth and Falling Rolls Funding.
- IX. That there has been a further reduction in growth funding. Sheffield has received £1.2m in 2025/26 compared to £1.6m in 2024/25, a reduction of £0.4m.
That the agreed movement of £1.37m to the High Needs Block continues for 2025/26.
- X. Pupil Premium rates for 2025/26 have not yet been published. Current Pupil Premium funding 2024/25 is £36m for all primary, secondary and special schools.
- XI. That the reduction of £389k in the historic commitments element of Central School Services Block (CSSB) has been funded by the Council.
- XII. The continuation of de-delegated budgets with no changes.
- XIII. Further funding related to the increase in employer's National Insurance is expected, in the form of an additional grant. The DfE will provide further details on this as soon as possible.

1 Introduction/background

National Picture

- 1.1. The Government announced that it was increasing funding for education with an additional £2.3 billion for mainstream schools and young people with high needs for 2025/26. This means that overall core school funding will total almost £63.9 billion next year compared to £61.6 billion in 2024/25.
- 1.2. £1 billion of the £2.3 billion increase is being allocated as high needs funding in 2025/26. This will bring total high needs funding to £11.9 billion. The high needs NFF will ensure that every local authority receives at least a 7% increase per head of their projected aged 2-18 population, with the majority of authorities seeing higher gains. There is a limit on the gains of 10% per head.
- 1.3. The mainstream schools NFF is increasing by 2.23% per pupil on average in 2025/26, compared to 2024/25. This includes a 1.28% increase to ensure that the 2024 teachers' and support staff pay awards continue to be fully funded at national level in 2025/26.
- 1.4. In addition to the funding allocated through the NFF, further funding in respect of the increase in employer's National Insurance contributions will be provided in 2025/26 by a grant outside the NFF. The DfE will provide further details on this as soon as possible.

Local Picture

- 1.5. This paper summarises the overall settlement for Sheffield's Dedicated Schools Grant (DSG) and details the budgets for all of Sheffield's mainstream primary and secondary schools. This comprises of the Individual Schools Budget (ISB) which is the principal part of the Schools Block.
- 1.6. It also describes the central budgets retained by the Local Authority, which come under the de-delegated items, and which continue to be agreed by the Education Funding Forum, originally approved on 20 February 2013.
- 1.7. Sheffield's school population has decreased, predominantly due to the falling pupil numbers in the primary sector. The peak is still within the secondary sector in 2025/26. Please see Table 1 below for full details:

Table 1 – Pupil Numbers

Financial Year	Primary			Secondary			Total			ISB
	Maintained	Academies	Total	Maintained	Academies	Total	Maintained	Academies	Total	
2024-25	19,274	25,066	44,340	1,145	29,524	30,669	20,419	54,590	75,009	
% Split Attendance	45.6%	54.4%	100.0%	3.8%	96.18%	100.0%	28.8%	71.2%	100.0%	
2024-25	17,977	26,108	44,085	1,162	29,655	30,817	19,139	55,763	74,902	
% Split Attendance	40.8%	59.2%	100.0%	3.8%	96.23%	100.0%	25.6%	74.4%	100.0%	
Variance	-1,297	1,042	-255	17	131	148	-1,280	1,173	-107	
% Change	-6.7%	4.2%	-0.6%	1.5%	0.4%	0.5%	-6.3%	2.1%	-0.1%	

- 1.8. The overall projected DSG settlement for 2025/26 is £695m compared to £625m in 2024/25.

- 1.9. The overall Dedicated Schools Grant (DSG) has increased by £70 million, the rolled in grants account for £26m of the £36m increase in the Schools Block:

Funding Blocks	2024/25 £m	2025/26 £m	Variance £m
Schools Block	456.45	492.01	35.56
Central School Services Block	4.91	4.89	- 0.02
Early Years Block (provisional)*	58.48	83.09	24.61
High Needs Block (provisional)	104.22	114.61	10.39
Total	624.06	694.60	70.54

- 1.10. The reasons for variances across various blocks compared to last year are:

1.10.1. Schools Block

The various grants covering the teachers' pay and pension increases from 2024/25 amounting to £26m have been rolled into DSG, the remaining £10m received is due to the continuation of the 'soft' implementation of the NFF.

1.10.2. Early Years Block

Early Years funding for 2025/26 - DSG has increased significantly due to the introduction of the continuation of the Childcare Reforms. These DSG figures are based on pupil number estimates that the DfE has provided. If the pupils do not materialise then the funding will be adjusted accordingly. Further details are available in Paper 5.

1.10.3. High Needs Block

The High Needs Block has increased by £10m. The high needs NFF will ensure that every local authority receives at least a 7% increase per head of their projected aged 2-18 population. However, this element has also been capped at 10% against 2024/25 baselines. Special schools will still receive additional funding in respect of the teachers' pay and pension grants as a separate grant in 2025/26. Full details of the High Needs Block can be found in Paper 6.

- 1.11. The principles and approach that continued to be used to calculate the 2025/26 mainstream school budgets were discussed and agreed at the December 2024 Sheffield Education Funding Forum meeting (previously known as the Schools Forum), and will continue to move us significantly (proportionately) closer to the NFF:

- 1.11.1. Ensure stability for ALL schools by optimising the use of Minimum Funding Guarantee (MFG), the current national MFG is set between -0.5% and 0%. Due to affordability Sheffield has set the MFG at -0.5%.
- 1.11.2. Continue to re-align factors in line with the ESFA to meet the 10% threshold minimum value, this changes the national level primary/secondary sector ratio to 1:1.36.
- 1.11.3. Keep Age Weighted Pupil Unit (AWPU) for both primary and secondary in line with NFF.
- 1.11.4. Increase the Lump Sum for Primary by £2k, to support smaller schools, and keep Secondary in line with NFF.

1.11.5. Re-align Social Deprivation with the NFF as closely as possible, with priority being given to funding elements relating to Free School Meals, directing funding to schools with high levels of social deprivation, to support the current financial climate, and again being subject to affordability.

1.12. We have updated the indicative budget models with October 2024 Census information and final Schools Block allocation.

1.13. In line with the Forum decision and consultation with schools in the city, there has been a redirection of £1.37m, from the Schools Block to the High Needs Block, to continue our investment in localities to support inclusion and increase access to local mainstream schools.

1.14. Even though pupil numbers are increasing in the secondary sector, the rolling in of the additional grants has resulted in an overall cash increase percentage split of 48% for primary and 52% for secondary schools. As we continue to move towards the NFF, using the minimum thresholds, the ratio stands at 1:1.36, and ensures that the majority of factors are in line with the NFF, ensuring stability in the system whilst preparing us for full implementation in future years.

	School Budgets £m	Growth £m
Schools Block – Income	492.01	
Less Growth	-1.00	1.00
Transfer to High Needs Block	-1.37	
	489.64	1.00

2 Funding Formula 2025/26

2.1. Key changes in 2025 to 2026:

2.1.1. There have been no significant changes in the national funding formula factors for 2025/26.

2.1.2. The **additional grants** from 2024/25 to support the teachers' pay and pension increases have been rolled into DSG. These grants amount to £26m.

2.1.3. There are some technical changes to the operation of the **split sites factor** in relation to mergers, amalgamations and de-amalgamations, as below.

Mergers and amalgamations

2.1.4. Where a school becomes eligible for split site funding as a result of a merger or an amalgamation, the relevant split sites funding should come into effect once the school no longer receives the 70% of the second Lump Sum in the financial year after the amalgamation. (However, if a local authority chooses to support the school with 40% of a second Lump Sum in the second financial year after

the amalgamation, the school will benefit from both that and split site funding in that year.)

De-amalgamation

- 2.1.5. In the case of de-amalgamations, where the two new schools will each receive a Lump Sum with immediate effect, any funding previously attracted through the split sites factor, which the new separate schools are no longer eligible for, should cease immediately. This is to ensure schools are not funded for both an additional Lump Sum and split sites funding at the same time.
- 2.1.6. There are two structural changes in the way **PFI funding** is calculated within the NFF:
- From 2025 to 2026 the DfE is providing pro-rata funding when a PFI contract is coming to an end in the financial year (such that funding is only provided for the part of the year when the contract is still in place).
 - The lower of the local authority's 2024 to 2025 PFI premises factor and the school's PFI funding from the 2024 to 2025 NFF is now to be taken as the baseline for calculating the 2025 to 2026 PFI factor. This is how PFI funding comes into the Local Authority via the NFF.
 - As in previous years, this baseline is then uplifted in line with the Retail Prices Index excluding mortgage interest payments (RPIX) growth.

This change will mean that any PFI schools in receipt of the PFI Related Cost element of funding will now receive the NFF value, again, this will be an in-out element of funding, as it forms part of your school's contribution for PFI costs.

- 2.1.7. **All LAs continue to move 10% closer to NFF** – the ESFA continues to move towards the NFF using minimum and maximum ranges for each factor value. Sheffield is in line with the NFF on most factors, except social deprivation factors, which we continue to align as is affordable.

- 2.1.8. **Minimum Funding Guarantee (MFG)** – the national maximum level is set between -0.5% and 0%, a reduction from 2024/25. Sheffield has set the MFG at -0.5%.

- 2.2. The Department for Education (DfE) has issued revised guidance for the 2025/26 Revenue Funding Arrangements, and we have used this framework for resource allocation.
- 2.3. The final data was released in December 2024 and contained October 2024 Census data for the 2025/26 final budget. All financial modelling is carried out using the DfE's "Authority Pro-forma Tool" which automatically calculates the pupil factors and MFG.
- 2.4. **Basic Entitlement (compulsory factor)**. For 2025/26 Sheffield will be in line with the NFF Factors.

The Age Weighted Pupil Unit (AWPU) rates for 2025/26 are as follows:

- | | |
|-----------------|---------------------------|
| • Primary | £3,847 (in line with NFF) |
| • Secondary KS3 | £5,422 (in line with NFF) |
| • Secondary KS4 | £6,113 (in line with NFF) |

2.5. Deprivation (compulsory factors)

IDACI (Income Deprivation Affecting Children Index) - the DfE is still using the IDACI dataset from 2019. This dataset is due to be updated in 2025/26 ready for use in 2026/27, as IDACI is updated every five years.

The 2025/26 Census dataset maps the IDACI 2019 ranks to group each lower super output area (LSOAs) - an area with typically about 1,500 residents - into one of seven bands of decreasing deprivation.

IDACI ranks are divided into seven bands - A to G, with A representing the most deprived areas and G the least deprived. Additional funding is targeted towards pupils in bands A-F, with more funding directed to pupils in the more deprived bands.

Free School Meals (Ever6) - in line with the Education Funding Forum agreement (December 2023), investment in social deprivation is being aligned with the NFF and increased by £8.4m to £66.6m, equating to 14% of the total Individual School Budget (ISB).

2.6. Prior Attainment (compulsory factor) – the primary indicator will include those who failed to achieve a good level of development. The DfE will continue to use the Early Years Foundation Stage Profile as the Prior Attainment factor for the distribution of funding.

For 2025/26, pupils would qualify for the Prior Attainment factor, where they have not achieved a good level of development (expected level of development in all 12 prime areas of learning as well as maths and literacy).

Following the cancellation or incompleteness of both EYFSP and KS2 assessments in summer 2020 and summer 2021 due to coronavirus (COVID19), local authorities will not be able to use assessment data from these years in the low prior attainment factor in their local funding formulae. Instead, local authorities will use the following as proxy data:

- 2022 attainment data as a proxy for the missing assessments in 2021.
- 2019 attainment data as a proxy for the missing assessments in 2020 for primary pupils.
- 2019 attainment data from the 2024 to 2025 APT as a proxy for the missing assessments in 2020 for secondary pupils. (The 2024 to 2025 data is used for secondary since the secondary pupils who sat the 2019 assessments have now left key stage 4).

In line with Education Funding Forum agreement (December 2024), investment in Prior Attainment has continued to be aligned with the NFF in £ per pupil terms. The amount allocated is now £30.2m (6%). The £ per pupil rates are now £1,175 Primary and £1,785 Secondary.

2.7. English as an Additional Language (compulsory factor) – funding distributed on the basis of the pupils' first three years in the school system.

- 2.8. **Pupil Mobility (compulsory factor)** – allocates funding to schools with a high proportion of pupils who have an entry date in the last three years that is not typical. ‘Not typical’ means that the first census a pupil is recorded as attending the school is a January or May census, with exceptions.

The mobility methodology involves tracking individual pupils using their unique pupil ID through censuses from the past three years. If the first census when the pupil was in the school was a January or May Census, they are a mobile pupil. This excludes reception pupils who start in January. This methodology also excludes pupils who joined in the summer term after the May Census, or pupils who joined in autumn before the October Census.

Funding will continue to be targeted only at those schools experiencing pupil mobility above a 6% threshold. Funding is allocated based on the proportion above this threshold e.g. if a school has 8% mobility, then 2% of its pupils would attract funding.

- 2.9. **Lump Sum (compulsory factor)** - funding is to support schools which are unavoidably small and require this support because per pupil funding alone is insufficient. The DfE does not want Lump Sum funding to be used as additional funding for schools which have fewer pupils on roll.

The Lump Sums can vary for primary and secondary schools. The Lump Sum factor values must now be at least 10% closer to NFF values each year.

For 2025/26, Sheffield’s Lump Sum (as agreed in the December 2024 Education Funding Forum) has been increased for Primary and remains in line with the NFF for Secondary. The Primary Lump Sum is £147,100 and Secondary is £145,100.

- 2.10. **Split Sites (compulsory factor)** - the new split sites methodology is compulsory for all local authorities that require the split site factor.

The factor is made up of two parts, both of which are compulsory:

- Basic eligibility funding - schools must be allocated a Lump Sum payment for each of their additional eligible sites distance funding.
- Additional funding - must be paid out on top of the basic eligibility Lump Sum for schools whose eligible sites are separated by more than 100 metres (by road distance) from the main site.

The number of additional sites that schools can receive funding for is capped at three per school. If a school has more than three additional sites, the distance funding will be calculated based on those that are furthest away from the main site.

The basic eligibility criteria for split sites funding requires additional sites to:

- Be part of the main school, that is, to share the same unique reference number (URN) with the school’s main site.
- Be separated from the school’s main site by a public road or railway.
- Have a building on them which is maintained by the school, and which is primarily used for the education of 5 to 16-year-old pupils in mainstream education.
- This excludes playing fields, ‘ancillary buildings’ and buildings leased out full time by the school to another entity.

Funding for the distance element should be allocated through a tapered approach, beginning at 100 metres, with allocations increasing linearly up to 500 metres, from which point schools should receive the total maximum funding allowed, which is £81,000, for schools with one additional site.

Sheffield funds at the NFF values: Lump Sum for basic eligibility which is £55,000 and the maximum distance funding of £27,000.

As stated previously, for a newly amalgamated school, split site funding will not be available until the transition of receiving 70% of dual Lump Sums has finished.

- 2.11. **Rates (optional factor)** – the ESFA will continue to pay business rates directly to billing authorities on behalf of all state funded schools in 2025/26. Rates will still appear as part of a school’s budget share for 2025/26, as schools will still be the accountable body and have to account for rates within their year-end accounts. Schools will still receive a copy of their 2025/26 rates bill, but again, **DO NOT PAY THIS BILL**, it may be difficult to obtain a refund if the bill is paid in error.

Academies rates for previous years: Academies **SHOULD pay and claim back any previous years’ bills adjustments** that are received in 2025/26. LAs will still be claiming and the DfE is paying current 2025/26 bills.

- 2.12. **Sparsity (compulsory factor)** - there are two primary schools that are eligible, and which attract funding of approximately £20k between them. It focuses on the distance pupils have to travel to the next nearest school, including the numbers of pupils on roll, enabling smaller schools in rural areas to receive additional funding.
- 2.13. **Minimum Funding Level (compulsory factor)** – this is a compulsory factor in a move towards introducing a direct NFF.

Minimum funding levels are calculated based on all pupil-led funding only. The calculation provides per-pupil funding of at least £4,955 for each primary school, and £6,465 for each secondary school with standard structures of seven and five year groups respectively.

For all-through schools and other new or growing schools with a non-standard year group structure, this will produce a specific minimum per pupil value that relates to the number of year groups in each phase.

There are still a number of primaries and only one secondary school that have qualified for this funding - 21 primary and two secondary schools require the uplift from this factor. There is an increase in requirement for this funding of £193k in comparison to 2024/25.

- 2.14. **Minimum Funding Guarantee (MFG)** - the DfE has revised the national threshold in 2025/26 which means local authorities are able to set a local MFG of between -0.5% and 0%. This funding protection will be based on the previous year’s per pupil amount, based on pupil-led funding only.

The MFG for 2025/26 in Sheffield is set at -0.5%, which means schools will receive upto 99.5% of funding protection compared to the previous year, in £ per pupil terms. The

cost of the MFG is £427k, a reduction of £271k from 2024/25. There are 25 primary schools and one secondary school which are protected by the MFG.

2.15. Cap on Gains

Local authorities can choose to cap any gains schools receive through the 2025 to 2026 local formula. The amount capped cannot exceed the cost of the Minimum Funding Guarantee.

Due to the cost of the mandatory minimum threshold factor values used in the 2025/26 funding formula, the Local Authority has applied a cap on gains to ensure affordability. Sheffield has set the cap on gains at 1.71%, as agreed with the Education Funding Forum in December 2024 amounting to £427k.

2.16. Private Finance Initiative (PFI) – optional factor

This factor is to support schools that have unavoidable extra premises costs, because they are a PFI school, this element provides funding for the PFI ‘affordability gap’ which is delegated and paid back to the local authority.

3 Primary and Secondary

3.1. The Individual School Budget (ISB) - primary and secondary - is the principal component of the Schools Block.

3.2. For 2025/26 this will be £490m (to include rates) compared to £453m in 2024/25.

3.3. The tables below provide a statistical analysis of 2025/26 school budgets. Further information is available in Appendix 1.

3.4. Budget Share Analysis

Table 2 – Budget Share

	Primary			Secondary			Total £,000		ISB
	£'000			£'000			Maintained	Academies	TOTAL
	Maintained	Academies	Total	Maintained	Academies	Total			
2024-25	97,949	135,809	233,758	8,589	211,033	219,622	106,538	346,842	453,380
% Split	44.5%	55.5%	100.0%	4.13%	95.87%	100.0%	25.7%	74.3%	100.0%
2025-26	95,262	155,755	251,017	9,273	229,350	238,624	104,535	385,105	489,641
% Split	38.0%	62.0%	100.0%	3.89%	96.11%	100.0%	21.3%	78.7%	100.0%
Variance	-2,687	19,946	17,259	685	18,317	19,002	-2,002	38,263	36,261
% Change	-2.7%	14.7%	7.4%	8.0%	8.7%	8.7%	-1.9%	11.0%	8.0%

3.5. Formula Factors Analysis

Table 3 – Formula Factors

Funding Factor	2024-25	2024-25	Change	Proportion
	£'000	£'000	£,000	%
AWPU Pupil Funding	320,583	345,076	24,493	70%
Social Deprivation	58,206	66,617	8,412	14%
Mobility	850	974	124	0.2%
High Incidence SEN /Prior Attainment	29,543	30,242	699	6%
English as Additional Language	5,776	6,226	450	1%
Lump Sum	21,907	23,917	2,010	5%
Split Sites	376	378	2	0%
Rates	3,586	3,949	363	1%
Sparsity	16	19	2	0%
PFI	9,147	9,358	210	1.9%
Minimum Funding Level	2,692	2,885	193	0.6%
Gains Cap	0	-427	-427	-0.1%
Minimum Funding Guarantee	698	427	-271	0%
Total	453,380	489,641	36,261	100.0%

3.6. Overall Cash Gainers / Losers in Formula 2025/26

Shown below are the number of overall cash gainers and losers per sector. If a school is losing cash, it is usually down to the school having fewer pupils compared to last year, and a school gaining cash is generally gaining pupils.

All schools losing cash in Sheffield are experiencing a loss in pupil numbers.

	Cash Increase		Cash Reduction	
	No. of Schools	Cash £,000	No. of Schools	Cash £,000
Primary	94	245	39	-126
Secondary	26	657	4	-301

4 School Budgets

4.1. The Minimum Funding Guarantee (MFG) and a Cap on Gains has been applied in 2025/26. Sheffield has set the MFG at a level of -0.5%. This means all schools will receive at least 99.5% of funding, on a comparable £ per pupil basis in 2025/26. Gains have been capped at 1.71% in order to fund the MFG.

4.2. It should be noted that the MFG only applies to like-for-like budgets. The MFG calculation is in line with the NFF. The premises formula factors (PFI, Rates, Sparsity, Split Sites and the Lump Sum) are excluded when applying the MFG (see Appendix 1 – Indicative School Budgets) and explain why some schools may show increases of less than -0.5%.

4.3. The net cost of the MFG (£427k)/Gains Cap (-£427k) in 2025/26 is £0m.

4.4. A total of 25 Primary schools will receive funding through the MFG, with the average amount being £3k, the highest MFG received is £60k, which is our smallest primary school. One secondary school requires an MFG of £105k.

- 4.5. As the gains cap has been set at 1.71% for 2025/26 all schools, both primary and secondary are allowed to retain 98.29% of any gains through the funding formula.
- 4.6. Appendix 1 shows the indicative budget share for each school for 2025/26, £ per pupil and both the cash change and the per pupil % increase or decrease. Also shown is the budget share after the estimations for Pupil Premium.
- 4.7. Cost of PFI has not increased as much as the previous year, due to the impact of falling inflation. The cost of the base Unitary Charge has risen by £289k (0.7%) compared to £474k (1.2%) 24/25 levels. The official measure of inflation in the United Kingdom, the Consumer Prices Index (CPI), was 3.5% in December 2024 (a decrease on the previous forecast figure of 4%). [Consumer price inflation, UK - Office for National Statistics](#)

The annual unitary charge increase is linked to January/February RPIX figures, which are not published until February/March, after school budgets are set. The latest estimates provided, were 3.3% at January, and 3.1% at February.

- 4.8. **Schools with integrated resources** - the Element 3 pupil-led top-up funding will be received as part of the Schools Block budget share, as the pupils that occupied the integrated resource in the October 2024 Census are funded through the Schools Block element. Elements 1 and 2 of integrated resources funding, will be funded through the High Needs Block and this has been covered and agreed through the High Needs Paper 6.

5 Pupil Premium

- 5.1. The Pupil Premium is calculated by the ESFA and notified to local authorities for maintained schools and paid directly to academies. It is based on the October 2024 Census.
- 5.2. Pupil Premium is not a personal budget for individual pupils, and schools do not have to spend Pupil Premium so that it solely benefits eligible pupils.
- 5.3. Pupil Premium can be used to support other pupils with identified needs, such as pupils who have or have had a social worker, or pupils who act as a carer. It can also be used for whole class interventions, for example high-quality teaching, which will also benefit non-disadvantaged pupils.
- 5.4. For 2024/25, the DfE continues to fund pupils with no recourse to public funds (NRPF) for Pupil Premium and has made this a permanent feature. Pupil Premium funding will be allocated in respect of children of families with NRPF who are eligible for Free School Meals, and for whom successful claims have been submitted to the ESFA.
- 5.5. The rates for 2025/26 have not yet been published, but are expected by the end of March 2025.

Current rates for pupil premium in 2024/25 are:

Pupil Premium Rates 2024/25			
Pri	Sec	Service	Post LAC
1480	1050	340	2570

- 5.6. In line with a previous Forum decision, up to 50% of Pupil Premium for Looked After Children (LAC) may be centrally held to commission city-wide services on behalf of LAC.
- 5.7. The Pupil Premium will remain payable for each pupil who has been eligible for free meals at any time in the last six years or is looked after/adopted from care after 2006, or who has been a service child in the last six years.
- 5.8. The table below summarises the level of Pupil Premium for 2024/25:

Primary £'000			Secondary £'000			Total £'000
Maintained	Academies	Total	Maintained	Academies	Total	Total
7,092	16,172	23,264	1,307	11,168	12,474	35,739

- 5.8 As per the December 2017 (previously named) Schools Forum, an automatic award for Free School Meals process was put in place, and since adapted to incorporate the new census collection date. We should continue to expect further increases in Pupil Premium now the information is being captured through the census process.

6 Additional Grants

National Insurance:

- 6.1. The Government announced in the Budget that employers will see their National Insurance contributions rise by 1.2% to 15% from April 2025.
- 6.2. It was announced that £23,770m would be provided to the public sector for the impact of the rise in National Insurance contributions.
- 6.3. It is expected that state schools will be fully reimbursed for the rise in National Insurance for employers, but further information is yet to be published.

7 Central Budgets

- 7.1. **Growth Funding in 2025/26** - Sheffield's Growth Funding allocation has again seen a reduction from £1.6 million to £1.2 million, marking a 22% decrease.
- 7.2. Sheffield received no Falling Rolls funding for 2025/26, as we have not met the criteria for funding, but will make an allocation of £200k available, from a combination of the Growth Fund and any previous years' allocation that was unspent.

7.3. The review of the Growth and Falling Rolls Funding Policies for Sheffield is an annual process, with approval scheduled for the June 2025 Education Funding Forum. It is crucial to highlight again what the growth fund can be used for:

The ESFA specifies that the growth fund can only be utilised to:

- Support growth in pre-16 pupil numbers to address basic need.
- Support additional classes required to meet the infant class size regulation.
- Cover revenue costs for new schools.
- Cover revenue costs, for schools, related to removing or repurposing surplus places.

7.4. Local authorities must provide growth funding when a school or academy collaborates with the local authority to establish an extra class addressing basic need in the area (either as a bulge class or as an ongoing commitment).

7.5. The guidelines explicitly highlight that the growth fund must not be used to support:

- Schools in financial difficulty; support for maintained schools facing financial challenges should be sourced from a de-delegated contingency.
- General growth due to popularity; such cases, including academies admitting above pupil admission numbers (PAN) by choice, are managed through lagged funding.
- Schools that are admitting pupils within their existing PAN and simply 'filling up' back to capacity.

7.6. As in 2024/25, **funding will only be available for basic need**, and no additional funding will be allocated to schools that do not meet the ESFA specified criteria, such as Awkward Year Group Funding.

7.7. Please note, we have ensured that there is sufficient growth funding available to support those school expansions currently being negotiated by the Council's Education Sufficiency Team with specific schools for September 2025, and these proposed agreements will be honoured, subject to Education Funding Forum agreement.

7.8. **De-delegated Services**

The other centrally retained budgets are those continuing to be approved on behalf of maintained schools at the Education Funding Forum, originally agreed on 20 February 2013 and are as follows:

- a. Free School Meals eligibility.
- b. Licences/subscription.
- c. Staff costs - supply cover.
- d. Support of minority ethnic pupils or underachieving groups. – changes agreed see below (EMTAS).
- e. Schools in financial difficulties.
- f. Contingencies – for both exceptional or unforeseen costs and additional costs relating to new, reorganised or closing schools.

7.9. The total amount for all de-delegated services from primary and secondary schools is £1.94m with academies retaining 73% (£1.42m) of the de-delegated budgets.

Appendix 2 provides a further breakdown of these items.

8 Central School Services Block (CSSB)

- 8.1 As part of transition to the NFF, the ESFA established a Central School Services Block (CSSB) by combining historic commitments, ongoing responsibilities and DSG retained duties into CSSB.
- 8.2 In 2019/20 the ESFA introduced a change to the formula that calculates the CSSB so that the historic commitments element would reduce year-on-year as they would be expecting these to end over time.
- 8.3 In 2025/26 a reduction of **£389k** has been applied to the historic commitments.
- 8.4 The following paragraphs detail the responsibilities held by the LA for all schools, maintained and academies.

The CSSB is split into two areas:

1. Ongoing responsibilities (every local authority receives it).
2. Historic commitments (unique to Sheffield).

The following table shows Sheffield's allocation for 2024/25 and 2025/26.

	Actual	Actual		
	24/25 £000's	25/26 £000's	Var £000's	% Change
*Ongoing Responsibilities	2,968	3,335	367	12.37%
Historic Commitments	1,943	1,554	-389	-20.00%
CSSB	4,911	4,889	-21	-0.43%

*2024-25 baseline adjusted to include pension and core budget funding realted to centrally retained teachers

8.5 Ongoing Responsibilities

These are responsibilities held by the LA for all schools (maintained and academies). We receive a contribution of £44.53 per pupil towards delivery of our ongoing responsibilities for all schools in the city.

The following is a list of services and budgets included in ongoing responsibilities.

Ongoing Responsibilities	24/25 £'000s
Statutory and Regulatory **	770
Education Welfare Duties	625
Asset Management	545
Education Funding Forum	402
School's Admissions	398
Copyright Licences	595
Total	3,335

Local Authority Statutory and Regulatory Duties - £770k

This includes: planning for the education services as a whole; revenue budget preparation, external audit relating to education and preparation of information on income expenditure relating to education; administration of grants, authorisation and monitoring of expenditure not met from schools' budget shares; formulation and review of local authority schools funding formula; internal audit and other tasks related to the authority's chief finance officers responsibilities under Section 151 of LGA; 1972 except duties specifically related to maintained schools; consultation costs relating to non-staffing issues; plans involving collaboration with other LA services or public/voluntary bodies; Standing Advisory Committees for Religious Education (SACREs); and provision of information to or at the request of the Crown other than relating specifically to maintained schools.

Local Authority Education Welfare Duties - £625k

This includes functions in relation to the exclusion of pupils from schools, excluding any provision of education to excluded pupils; school attendance; and responsibilities regarding the employment of children.

Local Authority Asset Management Duty – £545k

This includes management of Sheffield Schools Capital Maintenance and Development Programme, and development including preparation and review of an asset management plan, and negotiation and management of private finance transactions and general landlord duties for all buildings owned by the LA, including those leased to academies.

Centrally Held Funding also includes servicing of the Education Funding Forum - £402k Including administration and running costs, preparation of Forum reports, and preparation of school budgets, ongoing liaison with schools, ensuring the Forum operates within DfE regulations and guidance, and servicing of various Forum working groups.

School Admissions - £398k and Copyright Licences - £595k

The DfE pays for Copyright Licensing through a national contract. We haven't received the costs for 2025/26 and a provision of 595k has been made. This applies to both maintained schools and academies.

8.6 Historic Commitments

- 8.6.1 The ESFA reduced Sheffield's allocation of historic commitments by £389k in 2025/26 compared to 2024/25.
- 8.6.2 Considering the strategic importance and ongoing nature of these services, through the Council-wide business planning process, we have secured a funding contribution from the Council to offset the reduction in historic commitments by ESFA. All existing services funded from the historic allocation can continue to support the school system in 2025/26. The total value of these historic commitments stood at £5.9m in 2019/20 and it has been reducing every year. The Council is currently providing £4.4m, and £1.56m is contributed from the historic element of DSG towards these services.
- 8.6.3 **Support for the Prevention and Early Intervention Strategy** by funding the early help services (previously called Multi-agency Support Team (MAST)) - £1.55m which works across the localities in the city with schools.

8.7 Future Years Reduction to Historic Commitments

- 8.7.1 Local authorities will continue to be protected so that the maximum per-pupil year-on-year reduction in funding for ongoing responsibilities is minus 2.5%, while the year-on-year gains cap will be set at the highest affordable rate of +2.98%.
- 8.7.2 As in previous years, the ESFA has reduced the element of funding within the CSSB that some local authorities receive for historic commitments made prior to 2013 to 2014.
- 8.7.3 In 2025 to 2026, for those local authorities that receive it, historic commitments funding has been reduced by 20% compared to the previous year.
- 8.7.4 Considering the strategic importance and ongoing nature of these services, through the Council-wide business planning process, we have secured a funding contribution from the Council to offset the reduction in historic commitments by the ESFA and we will continue to pursue the same approach and request that the Council fund any future reductions in historic elements of CSSB.

9 Recommendations

It is recommended that the Forum:

- I. **Approves** the 2025/26 budget for primary and secondary schools set at £490m as per Appendix 1.
- II. **Notes** the growth funding total allocation of £1.2m to fund both growth and falling rolls. (£1m growth £200k falling rolls).
- III. **Notes** the transfer of £1.37m from the Schools Block to the High Needs Block.
- IV. **Notes** the de-delegated budgets of £1.94m and for maintained schools to agree de-delegation of £0.558m of services as per Appendix 2.
- V. **Notes and agrees** the contribution to the Central School Services Block budget.