

## **Sheffield Inclusion Centre Historical Debt - Update**

### **Key Messages**

Forum members are asked to:

- Note the historical debt of £422k due to the Sheffield Inclusion Centre (SIC).
- Agree to the recommendation: that a letter is sent out to all debtors by the Director of Education and Skills and Chair of the Forum, asking that all debts are paid in the next 30 days or to explain their reasons for withholding payment.

### **1. Introduction/background**

- 1.1. The funding model for the SIC assumes that in addition to the funding from the High Needs Block, schools will contribute funding when they exclude a pupil. The funding is recovered by the SIC and most invoices do get paid eventually. However, at the current time, the SIC has debts outstanding of £422k.
- 1.2. The consequences of these debts are:
  - 1.2.1. Considerable time is spent chasing the debts.
  - 1.2.2. The SIC requires monthly cashflow loans from the authority to meet their financial commitments.

### **2. Analysis of the debts**

- 2.1. The aged debts go back to financial year 2016/2017.
- 2.2. For the periods 2016/17 – 2019/2020, the Schools Forum approved charges for schools excluding pupils. It is for this period that there is the most persistent debt. A number of schools have paid a proportion of their invoices, but most have made no payment at all.
- 2.3. From 2020/21 the number of outstanding invoices is relatively small.
- 2.4. In total 45 schools have outstanding debts, with the largest being £46k. The table below gives further analysis.

<b>Financial Year</b>	<b>£</b>	<b>Number of Schools</b>
16/17	18,430	2
17/18	87,905	12
18/19	135,238	12
19/20	31,266	5
20/21	6,282	3
21/22	16,025	4
22/23	126,805	24
<b>Total</b>	<b>421,951</b>	

2.5. The debts are spread across maintained schools and academy trusts across the city.

### **3. Recommendations**

Forum members are asked to:

- Note the latest position – that £422k of debt remains outstanding to the SIC.
- Agree to the recommendation: that a letter is sent by the Director of Education and Skills and Forum Chair, reminding the schools involved of their responsibility to pay the invoices.