



Sheffield Education Funding Forum 17 September 2025 Executive Summary

SEND Top-up and Locality Funding Update

The Forum noted the following update on this standing item:

- The banded funded system has gone live for all pupils with Education, Health and Care Plans (EHCP) in mainstream schools as of September 2025.
- An additional £2.5m funding is being distributed across mainstream schools to provide support with meeting the needs of pupils with special educational needs and disabilities (SEND) to avoid escalation to an EHCP.
- Locality funding has increased to £1m for 2025/26.

Capital Allocations

The Forum noted the updated allocations for maintained schools; school rebuild programme timescales and the priority areas for high needs capital, summarised as follows:

- The **Basic Need Allocation** is based on the projected need for places by September 2026 and peaks in 2025/26 at just over £26m.
- The **School Condition Allocation** is just over £4m for 2025/26. This allocation is welcome but is insufficient to meet the £45m requirement for priority maintenance work.
- In addition, the Department for Education (DfE) has agreed to refund the £485k cost of replacing the reinforced autoclaved aerated concrete at Abbey Lane Primary.
- **School Rebuilding Programme** – the six rebuild schools and stages of progress are listed at section 3.1 of paper 4.

High Needs Block Deficit/Statutory Override

- The DfE has confirmed the extension of the Statutory Override on Dedicated School Grant (DSG) deficit to 31 March 2028. This is to allow time for authorities to manage their growing pressures, and deficits do not need to be recorded/recognised during this time.
- Sheffield is projecting its first cumulative DSG deficit in 2025/26, estimated at £15-18m. However, this could increase to £50-60m over the next couple of years without reducing expenditure.
- The projected deficit is driven by increased EHCP demand, high cost independent and out of city placements and investment in mainstream for SEND support and EHCP top-up funding.
- We are in the process of producing a recovery plan, but it will require system-wide collaboration.

The Forum acknowledged:

- the importance of collaboration across the Sheffield school system and support initiatives that promote early intervention, local placement, and effective use of SEND resources; and
- the need for active engagement by all schools and providers to work together with the Council to ensure sustainable solutions to the DSG deficit while maintaining high-quality outcomes for children with SEND.

Special Schools Needs-led Budget

The Forum noted the planned review, as summarised below, and agreed to support the development of the working group.

- The existing funding structure for pupils with special educational needs is detailed in section 2.2 of paper 6.
- Historically, Level 3 funding has been delivered through a guaranteed funding model which, whilst providing stability, does not fully reflect the variation in needs across schools. Schools are increasingly seeking a more equitable and needs-led approach.
- It should be noted that in any new model there would be winners and losers. We would need to create a profile/banding system and then attach the funding.
- We are currently undertaking benchmarking to look at the models used by other local authorities.
- We have previously reviewed the model with special schools and are proposing an opportunity to revisit this by establishing a working group to progress the review.
- It is suggested that the working group include special school representatives (and other representatives) from the Education Funding Forum, members of the existing Funding Working Group and/or other members from the special school sector. The proposed timeline is to establish and gather evidence between September and December 2025, and to explore and co-produce a model during 2026.

Early Years Block Funding

Key headlines of the 2026/27 early years budget are as follows:

- As of 2026/27 local authorities must pass-through 97% of early years funding to providers.
- Best Start in Life
 - The DfE will review the early years national funding formula, in consultation with the sector, by summer 2026.
 - Further details are to follow in autumn regarding proposed investments in support available for children with SEND in early years.
- As of the financial year 2026/27, the census will be termly, not annual with the aim of better aligning funding allocations.

SEN Home to School Travel and Transport Update

The Forum noted the scale of the challenge and the initiatives being implemented, in particular around part-time timetables:

- We have a statutory duty to provide transport up to the age of 16 and a discretionary duty for post-16.
- The 2025/26 budget is £20.5m and the projected spend is £27.5m.
- Approximately 2,500 children and young people access our transport provision, and this number is set to increase.
- Work is being carried out to understand need and reduce reliance on high-cost transport – as set out at section 3 paper 8 and including, for example personal travel budgets and independent travel training (we are in the process of increasing the team from 5 to 12 travel trainers).
- One of the significant findings from our analysis is that approximately 400 children are on part-time timetables, and this group represents a high number of all the taxi journeys. LAs are not expected to provide separate travel for such arrangements except in exceptional circumstances – schools are expected to pay. We have therefore written to schools requesting information regarding pupils on part-time timetables with a view to implementing change by Christmas 2025.
- For post-16 (discretionary) transport, we are consulting on a proposal to increase parental contribution from £540 to £1,000 per year.

The Forum asked that their concern around the impact of the proposed increase of parental contributions on low-income families be noted.

Updates for information only

A paper was also circulated for information only regarding the Schools Block National Funding Formula.

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.

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