Finance Manual
Section A

Draft Budget Preparation
Annexe A – Preparation notes and guidance

October 2021

SURREY
COUNTY COUNCIL

Contents

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2. Draft Budget Plan Projections 2022/23

1. Draft Budget Plan 2022/23 – Essential Information & FAQs

Accessibility

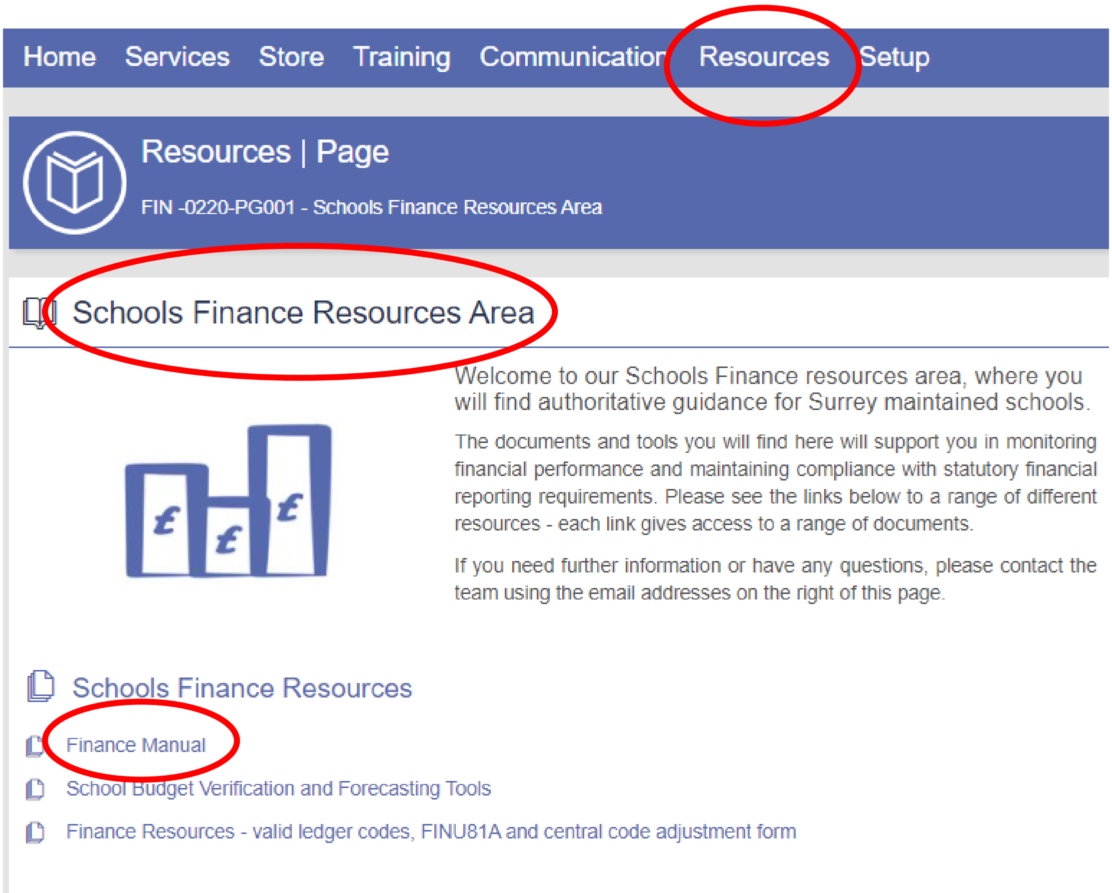
The draft budget plan file and verification and forecasting tool may not be suitable for users of assistive technology.
If you use assistive technology (such as a screen reader) and need a version of the draft budget plan and or the verification and forecasting tool in a more accessible format, please email schools.budgets@surreycc.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.

1.1 Where do I get a copy of the Draft Budget Plan?

The Draft Budget Plan 2022/23 is in the Section A of the Finance Manual which can be found on the Surrey Educational Services Hub. Please use this latest version of the Draft Budget Plan previous versions will not be accepted by the software that read the plans on submission.

To access the information schools will need to log-in and then select Resources at the top of the page and scroll down to the Schools Finance Resources Area, select this option where you will see the link to the Finance Manual and the Verification Tool.

The screen shot below shows the process to access the Finance Manual, Draft Budget Plan and the Verification Tool.



Click on:
Finance Manual containing the complete Finance Manual for SCC maintained schools, then Section A Budget Preparation.

Please follow the detailed information and assumptions listed in this Annexe to help in the completion of your draft budget plan.

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1.2 Important changes to the draft budget plan

In accordance with Financial Transparency requirements from April 2021 schools will be required to provide a three-year draft budget plan for 2022/23, and projections for 2023/24 and 2024/25.

On the schools and other info tab there is a requirement to complete the number of classes / lessons taught (Mainstream schools only).

Please ensure that the budget plan is submitted as an Excel document, budget plans submitted in any other format will be returned as they cannot be read by our software.

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1.3 Information about completing the draft budget plan

It is recommended that schools keep a contingency to cover further potential increases in costs given the volatility of inflation, the effect of increases in energy prices and the impact of rise in the minimum wage on contract costs. The increments in teachers' pay for September 2022 will be known later next year, and more information is expected about moving teachers starting pay to £30,000 but it is currently unknown how this will be funded.

The budget plan must show a surplus at the end of the first year (i.e. March 2023) and schools should endeavour to produce a plan that is balanced for the following two years by identifying appropriate cost savings where necessary.

Where schools need to make cost savings to balance year two and/or year three of the plan the Governors should identify the actions that they will need to take to prevent a deficit forecast for years two and three.

Schools submitting a draft plan showing a deficit in 2022/23 will be subject to closer scrutiny than usual and will be asked to submit additional information to assure the LA that they are taking appropriate and timely action to avoid a deficit.

The budget plan consists of the following areas:

School and other info tab:
In the boxes provided schools are asked to provide:

- DfE No – last 4 digits
- Contact names, email and telephone details – this includes a Governor contact. This information will be used to create the budget approval letter (final budget plan) which will be emailed to your school.
- Finance Support Provider
- FTE Staffing this includes projections for the current academic year plus two future years

- Number on roll this includes projections for the current academic year plus two future years
- Number of classes/ lesson taught (Mainstream only)

Current Year Outturn Tab:
Schools are asked to provide details of their current forecast of outturn for 2020/21 based on their latest financial monitoring report (October). Schools are no longer required to attach a copy of their FMR to the draft budget plan.

Budget Plan Year 1 Tab:
All schools are expected to provide reasonable estimates of all elements of planned income and expenditure within their draft budget plan for 2022/23. Schools should incorporate the recommendations and assumptions on price increases detailed below.

Budget Plan Year 2 Tab:
In line with the expectations of the SFVS, this tab should be used to reflect draft budget projections for 2023/24.

Schools should assume no further inflationary rises in costs and base their income and expenditure assumptions on those used for 2022/23. However, regard must be given for any changes in staff salaries expected through incremental progression, and where contract changes may be due for renegotiation. It is important to use the Verification and Forecasting Tool to reflect changes to pupil data and characteristics in future years to ensure the most accurate estimate of funding is reflected.

Budget Plan Year 3 Tab:
In line with the expectations of the SFVS, this tab should be used to reflect draft budget projections for 2024/25.

Schools should continue to calculate Year 3 estimates on the same basis as Year 2.

3 Year Summary Tab:
Information input against the Year 1, 2 and 3 budget plan tabs is pulled together automatically in a summary here. This is a useful format to provide to Governors.

Notes Tab:
Please provide supporting information within **this** section.
Do NOT send a separate document or covering notes in the email (this is because budget plans are received through an automated process and anything outside of the specified areas will be lost).

Tranche Calculation Tab:
This is an automated tab used calculate the value of tranche payments due to the school to cover local expenditure items. This is not applicable to 100% schools where all funding is transferred to the local bank account.
Please note – this tab is not used at draft budget stage.

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1.4 In what format should the budget plan be submitted?

Please ensure that the budget plan is submitted using the correct Excel proforma, budget plans submitted in any other format will be returned as they cannot be read by our software.

Please **do not** submit a PDF copy.

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1.5 What is the email address and deadline to send the draft budget plan?

Schools should e-mail their draft budget plan submission to the following email address:

Schools.budgets@surreycc.gov.uk to arrive no later than 30th November 2021.

Draft budget plans must be sent electronically in excel format: do **not** email a pdf copy

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1.6 What sign off does the draft budget plan require?

The draft budget should be prepared and presented to the Governors' Finance Committee. The Chair's signature is not required on the draft budget plan.

Whilst approval of the school's FINAL budget plan can be delegated to a Finance Committee, we would advise that it is tabled at the Full Governing Body meeting and signed by the Chair of Governors. Please ensure that the signed copy is available in school.

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1.7 Which activities should be included within the draft budget plan?

To a certain extent this will depend on how many extended services are provided, since there are different models of delivery that could be adopted. The draft budget plan needs to identify any funding, income and expenditure which directly affects the school.

School activities – the draft budget plan should be used to record the school's core activities together with extended service developed by the school independently of others. For most schools this will be the only budget plan requiring input.

Confederations and Partnerships – No draft budget is required for submission although it is good practice to prepare a draft budget at local level.

Networks – No draft budget is required for submission although it is good practice to prepare a draft budget to local level.

Family Centres – Schools hosting a family centre will be contacted individually regarding their draft budget plan but should begin to complete the Family Centre draft budget plan in addition to the school plan.

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1.8 What is included in the Draft Budget Plan?

The draft budget plan format is separated into three sections:

Pupil focused revenue for everyday income and expenditure where there is educational benefit to pupils at your school, or other schools, including the funded early years' entitlement provided to children who are on roll of the school which is covered by the school's OFSTED registration.

Community focused revenue for everyday income and expenditure for wider community purposes or childcare with no direct educational benefit. All income and expenditure relating to family centres should be included in the separate Family Centre budget plan.

Capital for maintained schools' assets that exceed the de-minimis level set by authority (£2,000 in Surrey) and have a life longer than a year. VA schools should only complete this section if capital income/expenditure will pass through the school's delegated bank account. Funding/expenditure accounted for by the diocese or in the governor's fund should not be included.

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1.9 What is Community Focused Activity?

From April 2011, under the Children, Schools and Families Act 2010, schools can use their delegated budget for community focused activities. Schools are still expected to comply with the requirements of the Surrey Scheme for Financing Schools, including separate accounting for community focused income and expenditure to ensure compliance with DfE CFR requirements. The use of delegated funds for community use should not interfere with a school's primary focus of raising standards. However, there will be a presumption that schools meet any deficit on community focused activities.

Extended services cover a range of activities and can be targeted at pupils in your school, or another one, and children or adults from the wider community. They include childcare, out of school hours learning and study support, parenting support, and community access.

Further information and support on extended services and early education is provided in Section P of the Finance Manual.

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1.10 Why should schools differentiate between pupil and community focused activities?

Funding to undertake extended services comes from a variety of different sources. When developing provision, it is important to be clear of the intended beneficiary as this will affect reporting requirements and the potential sources of funding the activity, both in the short and long term.

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1.11 How do schools know whether an activity is pupil or community focused?

To decide whether a particular extended activity is pupil or community focused schools may find it helpful to consider the table below, noting how the activity should be treated for CFR purposes. Generally, breakfast clubs and after school clubs used as childcare should be community focused, but if there is deemed to be an educational benefit for the activity it may be pupil focused.

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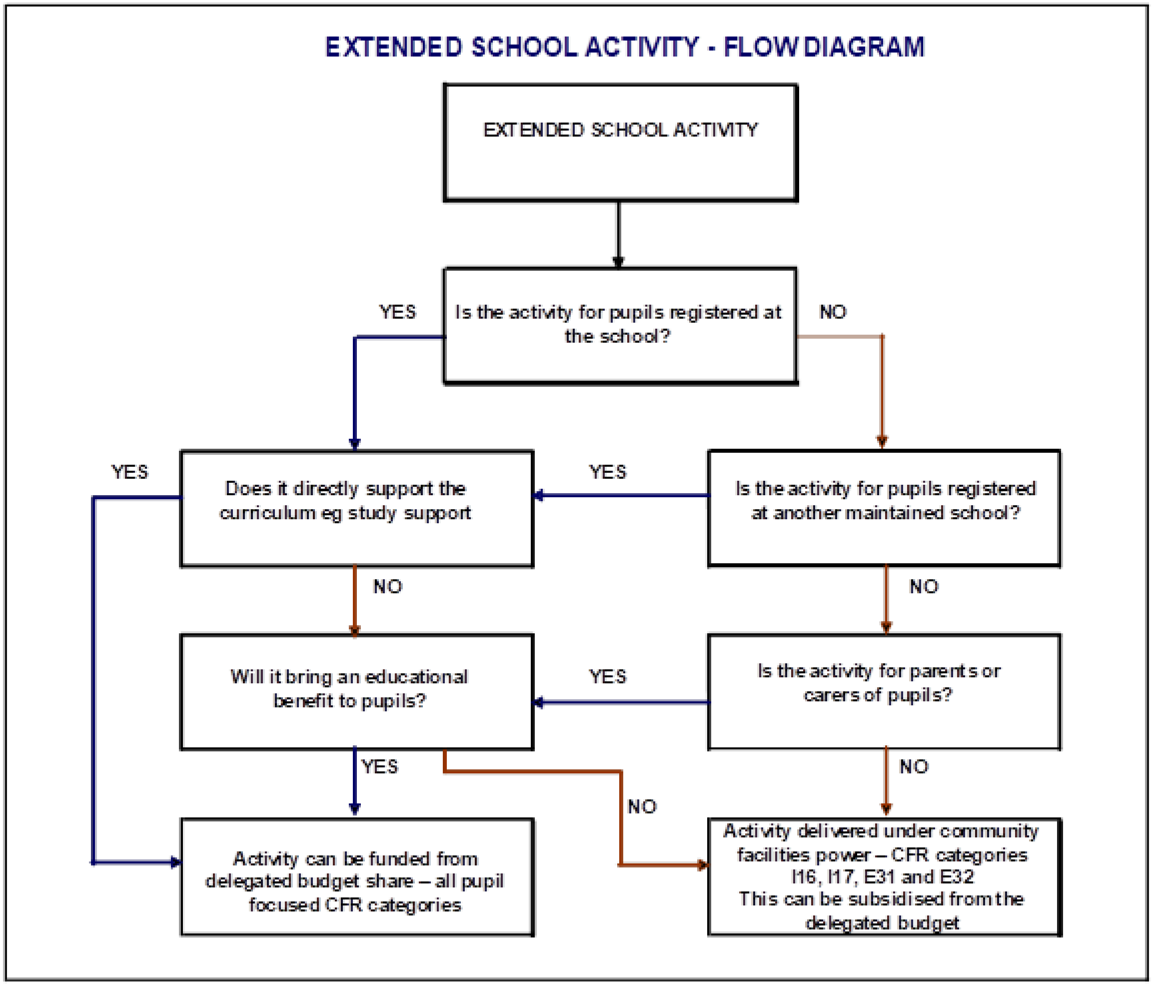

(Source – Planning and funding extended schools: a guide for schools, local authorities and their partner organisations – June 2006).

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1.12 How do schools differentiate between lettings and extended provision?

Examples
If someone approaches the school independently to run a class or any other community or extended activity, then this would be categorised as a letting of the premises; income would be recorded in I08 and any associated costs in E01 – E30.

If the school directly employs someone to run an activity, or contracts someone to do so this would be categorised as an extended service, which could be either pupil or community focused. In this instance income for community focused extended activities (I17) should only be recorded where there is additional associated expenditure by the school that would be coded into either E31 or E32.

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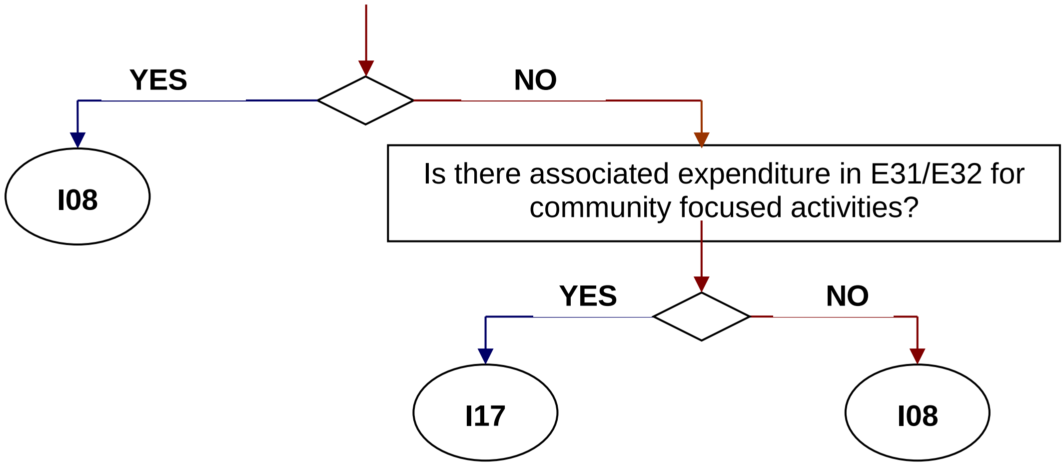
Does the income to be received cover only the costs that would be paid out of the delegated budget?



2. Draft Budget Plan Projections 2022/23

2.1 Budget Plan projections

The Surrey Scheme for Financing schools requires that governors submit their draft estimates of spending for 2022/23 no later than 30 November 2021. Schools should be aware that they will need to contain their expenditure within their estimated budget including the cost of incremental drift up to 31 March 2025.

Details for submitting your final budget plan for 2022/23 will be released in the Spring Term 2022. Please note that the deadline for the final budget plan is 1 May 2022, and governors' meetings should be arranged accordingly to ensure an approved version of the budget plan can be submitted by this deadline.

It is the school's responsibility to ensure that the budget plan includes reasonable estimates of all elements of planned income and expenditure, and accurately reflects the management decisions of the school.

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2.2 Deficit Budgets

Schools have no legal powers to incur a budget deficit, so the final budget plan for 2022/23 **must** balance (i.e. expenditure should not exceed income, funding and any reserves brought forward). Where a school has been granted a licensed deficit from a previous year, the School will continue to be expected to comply with the requirements of their existing recovery plan. Any closing deficit on the 2022/23 plan should be consistent with the approved recovery plan.

Should a school experience difficulty in reaching a balanced position, they should inform the Schools Finance and Monitoring Team (sfmt@surreycc.gov.uk) immediately to discuss the situation. It is recommended that schools seek additional advice and support via an education financial provider to ensure they remain conversant with all aspects of the budget planning and monitoring process.

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It is important that schools' governing bodies should actively seek efficiency and value for money in all areas of their activities, in order to optimise the use of their resources and to maximise the resources available for teaching and learning. Schools should be able to demonstrate as part of the budget planning process that this has been done e.g. through the use of benchmarking.

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2.3 Requirements for the budget plan projections

Estimates for funding, income and expenditure are entered on to the budget plan spreadsheet under the relevant CFR (consistent financial reporting) heading. **Please** use the **Notes** tab to record any supporting information deemed useful to enable the School Finance and Monitoring Team to have a clear understanding, against the relevant CFR Heading and Line Number.

Detailed CFR guidance is found in the DFE Framework document:

CFR Framework 2021-22
https://www.gov.uk/guidance/consistent-financial-reporting-framework-2021-to-2022

2.4 Pupil focused revenue budget information and assumptions

2.4.1 Brought forward Balance from 2021/22 (budget plan lines 1 – 3)
Brought forward balances should be consistent with the projected carry forwards advised under the **Current Year Outturn** tab. Surpluses should be entered as positive figures, whereas a deficit opening balance should be entered as a negative figure. It is good practice and an indication of strong financial management that the use of any balance at the end of the financial year is identified in the short, medium and long terms.

Where a school intends to transfer surpluses from its community focused activities to the pupil focused revenue budget, this should be identified separately on line 3. A corresponding entry will automatically be made against line 80 – Community Focused B/fwd.

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2.4.2 Pupil Focused Revenue Funding and Income Assumptions
To verify 2021/22 funding and estimate funding for 2022/23 and beyond, schools should use the appropriate Verification and Forecasting Tool published by the Schools Funding Team. A new verification tool will be available at the beginning of November and is expected to contain more than one funding scenario, pending Cabinet decisions on schools funding for 2022/23 which will not be known until late November. For the purpose of the draft budget plan submission schools should use the lowest forecast but are encouraged to prepare additional forecast, based on the other scenario(s), for their own planning purposes.

Illustrations, for mainstream schools, of the effect of the proposed funding changes were distributed as part of the consultation process. Schools are reminded that these illustrations were prepared using October 2020 pupil data and consequently may not provide an accurate indication of funding for 2022/23 where there has been a change in pupil numbers/characteristics. When completing the Verification & Forecasting tool schools should use current pupil numbers and characteristics to ensure that the funding forecast is as accurate as possible.

Please use the budget summary tab from the Verification and Forecasting Tool to populate the relevant lines within the draft budget plan with your forecast of funding.

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Governors should take this opportunity to review the budget forecast for 2021/22.
Based on the local circumstances Governing Bodies should consider what level of reserves it would be prudent to hold and whether any non-essential expenditure planned for 2021/22 should be deferred. Governing Bodies should also consider the potential ongoing loss/reduction in income generation activities.

Please Note the following:

I01 – Funds Delegated by the LA
(budget plan lines 4-20, special schools line 4-9)

Central Services Levy (to fund statutory responsibilities) **and De-delegated funding** (agreed by Schools' Forum) – (budget plan line 5 mainstream schools) (enter as a negative figure)
Central Services levy is currently £35.98 per Yr. R to Yr. 11 pupil for all maintained primary, secondary (excluding nursery settings), schools and per place for special schools and PRUs. The updated mainstream verification and forecasting tool will include an estimate for 2022/23 and will reflect the 2021/22 rate this stage.

Teachers' Pay Grant – Nursery Classes and Maintained Nursery Schools (budget plan line number 17 mainstream schools)
For pupils in nursery classes and the four stand-alone Nursery Schools the future of the Teachers' Pay Grant is currently unknown. Schools should estimate their allocation for the period April to August 2022 based on January 2021 pupil numbers or 85% of January 2020 pupil numbers if higher, using the Sept 2021-March 2022 rate of £28.26 per pupil pro-rated for five months i.e. 28.26x5/7=£20.18. For the period September 2022 to March 2023 schools should use lower of the number of Oct 2021 and Jan 2022 nursery pupils multiplied by the Sept 2021-March 2022 rate of £28.26 per pupil until further information is known. Schools which did not receive an allocation in 2021/22 should assume that they will not receive an allocation in 2022/23 either. This usually applied to schools which in 2020/21 were funded for the minimum of 100 pupils (taking main school and nursery together) even if they had fewer pupils than that.

Teachers' Pension Employer Contribution Grant (TPECG) – Nursery Classes and Maintained Nursery Schools (budget plan line number 18 mainstream schools)
For pupils in nursery classes and the four stand-alone Nursery Schools the future of the Teachers' Pension Grant is currently unknown. Schools should estimate their allocation for the period April to August 2022 based on January 2021 pupil numbers or 85% of January 2020 pupil numbers if higher, using the Sept 2021-March 2022 rate of £79.85 per pupil pro-rated for five months i.e., 79.85x5/7=£57.03per pupil. For the period September 2022 to March 2023 schools should use lower of the number of Oct 2021 and Jan 2022 nursery pupils multiplied by the Sept 2021-March 2022 rate of £79.85 per pupil until further information is known. Schools which did not receive an allocation in 2021/22 should assume that they will not receive an allocation in 2022/23 either. This usually applied to schools which in 2020/21 were funded for the minimum of 100 pupils (taking main school and nursery together) even if they had fewer pupils than that.

Teachers' Pay Grant – Sixth Forms (budget plan line number 17 mainstream schools)
For students in 6th Form provision, the future of the Teachers' Pay Grant is currently unknown, and schools should estimate their allocation based on the lower of the number of students in October 2020 multiplied by £71.30 per pupil, until further information is known.

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Teachers' Pension Employer Contribution Grant (TPECG) – Sixth Forms (budget plan line 18 mainstream schools)
For students in 6th Form provision, the future of the Teachers' Pension Grant is currently unknown, and schools should estimate their allocation based on the number of students in October 2020 and use the same rate as 2021/22 of £201.48 per pupil until further information is known.

Maintained Nursery School Transitional Grant – Maintained Nursery School Only
The current grant is only confirmed to March 2022 and the future of the grant is currently unknown if it does continue it maybe at a reduced level. Please refer to the Schools Funding Consultation September 2021. Schools should ensure that the Governors are aware of this potential change.
For draft budget purposes please use the 2021/22 figures until further information is available.

I02 – Funding for Sixth Form Students
(budget plan lines 21-22 mainstream/ lines 10-11 special schools)

Mainstream Schools – include your ESFA sixth form funding allocation. The following information may be useful when estimating funding:

16 to 19 funding: information for 2021 to 2022 Updated information is not yet available for 2022/23.

Special Schools – include post 16 place funding

I03 – High Needs Top-up Funding (budget plan lines 23-26 mainstream / lines 10-16 special schools). Until the work for the special schools banding focus group is completed, it is not possible to update the verification tool for Special Schools, so for consistency these schools should use the 2020/21 rates for draft budget purposes until further information is available. However, these settings may wish to consider other scenarios outcomes.

Individual Pupil Support Budget (IPSB) – mainstream schools should ensure that they include an estimate of their full-year points allocation (net of first £6k of expenditure) in the Other Input Data tab of the verification and forecasting tool. Special Schools will need to estimate IPSB funding based on known ongoing allocations.

I05 – Pupil Premium (budget plan lines 27–31 mainstream / lines 17–21 special schools)
Schools should make an estimate of their pupil premium allocations and include it as available funding when setting their budgets. Schools can calculate their pupil premium allocations for 2022/23 based on numbers in October 2021 census.

The 2021/22 Pupil Premium was confirmed at the following rates:

- £1,345 per year for each primary-aged pupil who is eligible for free school meals or have been eligible in the past 6 years.
- £955 per year for each secondary-aged pupil who is eligible for free school meals or have been eligible in the past 6 years.
- £2,345 per year for each pupil, primary and secondary aged, who has been adopted from care or has left care
- £2,345 for each child, primary and secondary aged, who is looked after by the local authority.
- £310 for each pupil in year groups Reception to Year 11 who meets one of the following criteria:
    - One of their parents is serving in the regular armed forces

- Ever 6 service child FTE
- The pupil receives a pension under the Armed Forces Compensation Scheme (AFCS) and the War Pensions Scheme (WPS)

In addition, Pupil Premium funding is allocated by the Virtual School per child Looked After by Surrey CC, but this will be allocated termly during the year. Pupil Premium funding for Looked After Children is the responsibility of the LA with the parental responsibility and thus normally schools will receive funding for non-Surrey Looked After Children directly from the authority with parental responsibility. Other authorities may choose not to use termly counts for this purpose. Please note that the basis of counting Looked After Children for the Pupil Premium differs from the basis used in the budget share.

I06 – Other Government Grants (budget plan lines 32 & 33 / lines 22 & 23 Special schools)
Please include any government grants that you expect to receive through the LA.

Include income from any government body which is received directly by the school and not via the Local Authority. This includes income for development and non-capital government grants, and SALIX Loans.

I07 – Other Grants and Payments (budget plan line 34 / line 24 special schools)
Include any lottery grants. Receipts from other schools, income from recycling refunds and milk subsidy should also be recorded here. If funds come directly from an organisation funded by the British Government (other than the council) they should be included within I06 income.

Income from Premises Facilities and Services
Governing Bodies should consider the potential on going loss of income generation.

I08a – Income from Letting Premises (budget plan line 35 / line 25 special schools)
Include amounts from letting the school premises.

I08b – Outreach funding (budget plan line 36 / line 26 special schools)
Primary and special schools which are funded to provide outreach should include an estimate in the Central column to distinguish it as funding not income.

I08b – Income from Facilities and Services (budget plan line 37 & 38 / lines 27 & 28 special schools)
Include any income from facilities and services, excluding income from catering (see I09), lettings income (see I08a), staff insurance scheme claims (see I10 & I11) and donations (see I13). Please note that for schools operating under the SCC umbrella scheme, the bank interest rate continues to be 0.5% below the base rate – the current rate is zero %.

I09 – Income from Catering (budget plan line 39 / line 29 Specials schools)
Only enter an amount if income is expected to be received from the school's own catering service, or income that is collected on behalf of catering contractors.

I10 – Receipts from Supply Teacher Insurance Claims (budget plan line 40 / line 30 Special schools)
Include income received from the staff insurance scheme in respect of teachers. For the purposes of the budget plan, no amount should be included unless reimbursement is expected in 2022/23 and not previously accounted for in 2021/22.

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I11 – Receipts from other insurance claims (budget plan line 41 / line 31 Special schools)
Include all other insurance receipts in respect of losses incurred, including absence insurance schemes for support staff. For the purposes of the budget plan, no amount should be included, unless an amount is currently confirmed as outstanding and not previously accounted for in 2021/22.

I12 – Income from Contributions to visits (budget plan line 42 / line 32 Special schools)
Include income from parental contributions requested by the school. Any associated costs should be included in the expenditure part of the budget plan.

I13 – Donations and/or voluntary funds (budget plan line 43 / line 33 Special schools)
Include any income from private sources under the control of the governing body available for the purposes of the school. This will incorporate any income from the school fund being used to provide educational benefits for pupils. The costs will need to be included within the expenditure categories.

I15 – Pupil Focused Extended Schools Grant (budget plan line 44 / line 34 Special schools)
Include any other funding streams (ESFA – Education Skills and Funding Agency etc) that are given explicitly for pupil focused extended school activities.

I18 – Additional Grants for Schools (budget plan line 45-49 / lines 35-39 special schools)

Primary PE Grant (budget plan line 45/ line 35 special schools)
The future of this grant for the academic year commencing September 2022 is currently unknown. Where schools decide to include the funding in the draft budget, the corresponding expenditure should also be included.

Expected funding should be estimated on the 2021/22 payment rates:

- Schools with 16 or fewer eligible pupils receive £1,000 per pupil.
- Schools with 17 or more eligible pupils received £16,000 and an additional payment of £10 per pupil.

I18 – Universal Infant Free School Meals (budget plan line 46 / line 36 Special schools)
This grant will include the final allocation for 2021/22 plus the provisional allocation due for 2022/23. Please assume the same funding rates as 2021/22:

- Each meal taken by an eligible pupil attracts £2.34. An allocation assumes that pupils will take 190 school meals over an academic year, providing £444.60 per eligible pupil.

I18 – Recovery Premium Grant (budget plan line 47 / line 37 Special Schools)
Provisional allocations for the academic year 2021/22 have been released by DfE

Pupils in year groups Reception to Year 11 meeting the following criteria:

- Pupils recorded as eligible for free school meals at any point in the last 6 years and those eligible for no recourse to public funds
- Looked after children (LAC) defined in the Children Act 1989 as one who is in the care of, or provided with accommodation by, an English local authority.
- Children who have ceased to be looked after by a local authority in England and Wales because of adoption, a special guardianship order, or child arrangements order (previously known as a residence order)

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The RPG per-pupil rate is as follows:

- Eligible pupils in mainstream school, who are not in special educational needs (SEN) units £145
- Eligible pupils in special educational needs (SEN) units in mainstream schools £290
- Eligible pupils in special schools, pupil alternative provision and hospital schools £290

In addition to the pupil rates, there is a floor whereby:

- no eligible primary or middle deemed primary school will receive less than £2,000
- no eligible secondary, all-through special, alternative provision or hospital school will receive less than £6,000

For mainstream and special schools, an initial allocation of Recovery Premium will be based on the number of pupils in the October 2020 census who have had a recorded period of FSM eligibility since January 2015 including those first recorded as eligible at October 20.

25% of this initial allocation will paid on:

- 30 September 2021
- 31 December 2021
- 29 April 2022

A final allocation of the recovery premium will be based on the number of pupils in the October 2021 school census who have had a recorded period of FSM eligibility since January 2016, as well as those first recorded as eligible at October 2021 census.

For the final allocation a payment will be made as follows:

- 30 June 2022: the final allocation minus the amounts paid in September 2021, December 2021 and April 2022 above.

For pupil referral units (PRU)

The allocation of the recovery premium will be based on the number of pupils in the January 2021 school census who have had a recorded period of FSM eligibility since May 2016, as well as those first recorded as eligible at January 2021. The fourth payment will be allocated based on the January 2022 census.

I18 School led tutoring grant (budget plan line 48 / line 38 Special Schools)

All maintained primary and secondary schools with pupils in years 1 to 11 who are eligible for pupil premium will receive a school led tutoring grant.

The details of the initial allocation including the number of children identified is available School-Led tutoring allocations.

The school-led tutoring grant in 2021/22 is based on a package of 15 hours tutoring at £18 per hour. The DfE will provide a maximum of £13.50 per hour and schools are expected to contribute the remaining £4.50.

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Payments will be received by schools in:
October 2021
January 2022
May 2022

Any funding that has not been spent at the end of the academic year will be recovered by DfE.

In 2022/23 schools will be provided with a grant to cover 60% of £18 per hour cost.
In 2023/24 schools will be provided with a grant to cover 25% of £18 per hour cost.

Schools will need to factor in increasing contributions to school-led tutoring from other budget sources over the three years.

2.4.3 Pupil focused Revenue Expenditure Information and Assumptions

E01 – Teaching Staff (budget plan line 50/line 40 special schools)
For guidance on how salaries for teachers are determined, schools must refer to the School Teachers' Pay and Conditions Document (STPCD)

It is **recommended** that schools use a salary budgeting tool to accurately forecast costs and ensure appropriate levels of employer national insurance and superannuation are included**.**

In the Autumn Statement (Oct 2021) the Chancellor confirmed the intention to increase teachers starting salaries to £30,000 but did not specify a time frame in which to achieve this. The STRB will make recommendations for teachers pay for September 2022.

It is recommended that 1.9% cost of living increase should be incorporated for September 2022. It would be prudent to bear in mind that if the minimum pay range increases this could result in a significant uplift and it is yet to be established if additional funding will support the increase.
No further cost of living increases should be included for Year 2 and 3.

Ensure that performance related pay progression is included from September 2022 including all three years as appropriate.

The Employer National Insurance Contributions rate increases from April 2022 by 1.25% for the Health & Social Care Levy. This increase is expected to continue from April 2023 (may not be collected under the National Insurance heading) and should currently be budgeted for all three years under National Insurance.

The teacher employer superannuation rate from September 2019 rose to 23.68%. No further information is available, and schools should continue to budget the cost at this rate until more is known.

Schools are expected to be able to support the September 2022 pay rise within their budgets.

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E02 – Supply Teaching Staff (budget plan line 51/ line 41 special schools))
Include projected salary and on-costs for all supply teaching staff employed directly by the school that are covering curriculum teaching, long term absence, sickness absence or training absence. Please note the advice on the teachers' pay rates above.

Any costs associated with agency supply teachers should be entered against CFR reference E26.

E03 – Education Support Staff (budget plan line 52/ line 42 special schools)

It is **recommended** that schools use a salary budgeting tool to accurately forecast costs and ensure appropriate levels of employer national insurance and superannuation are included.

Include teaching assistants, technicians, librarians, nursery assistants, welfare assistants, residential childcare officers and invigilators.

Details of the Surrey pay award for 2022/23 are currently unknown. For the purposes of the draft budget, it is recommended that a 1.9% increase should be incorporated for April 2022 until specific advice is received.

Ensure that incremental pay progression is included from April 2022 where appropriate.

The Employer National Insurance Contributions rate increases from April 2022 by 1.25% for the Health & Social Care Levy. This increase is expected to continue from April 2023 (may not be collected under the National Insurance heading) and should be budgeted for all three years under National Insurance.

Surrey Pay employer superannuation is currently 25.2%. Schools should note that the next triennial evaluation is due in March 2022.

E04 – Premises Staff (budget plan line 53/line 43 special schools)
Include full salary and on-costs of all premises staff (for example caretakers, cleaners, grounds staff, porters etc) directly employed by the school. When the cost is incurred as part of a service contract the amount should be shown against another CFR ref e.g. E14 for cleaning contactor costs.

Details of the Surrey pay award 2022/23 are currently unknown. For the purposes of the draft budget, it is recommended that a 1.9% increase should be incorporated for April 2022 until specific advice is received.

Ensure that incremental pay progression is included from April 2022 where appropriate.

The Employer National Insurance Contributions rate increases from April 2022 by 1.25% for the Health & Social Care Levy. This increase is expected to continue from April 2023 (may not be collected under the National Insurance heading) and should be budgeted for all three years under National Insurance.

Surrey Pay employer superannuation is currently 25.2%. Schools should note that the next triennial evaluation is due in March 2022.

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E05 – Administrative and Clerical Staff (budget plan line 54/line 44 special schools)
Include full salary and on-costs of all administrative support staff (e.g. School Business Manager, Admin Officer, Bursar, School Assistants / Secretaries, Clerks etc.) that are directly employed by the school. Where the cost is incurred as part of a service contract, they must be shown in the framework under the service heading e.g. clerking service under CFR ref. E28.

Details of the Surrey pay award for 2022/23 are currently unknown. For the purposes of the draft budget, it is recommended that a 1.9% increase should be incorporated for April 2022 until specific advice is received.

Ensure that incremental pay progression is included from April 2022 where appropriate.

The Employer National Insurance Contributions rate increases from April 2022 by 1.25% for the Health & Social Care Levy. This increase is expected to continue from April 2023 (may not be collected under the National Insurance heading) and should be budgeted for all three years under National Insurance.

Surrey Pay employer superannuation is currently 25.2%. Schools should note that the next triennial evaluation is due in March 2022.

E06 – Catering Staff (budget plan line 55/line 45 special schools)
Include full salary and on-costs of all catering staff (e.g. chefs, cooks, servers etc.) directly employed by the school. Where the cost is incurred as part of a contract this should be shown against CFR ref E25.

Do not include Midday Supervisor costs. These should be shown against CFR ref E07.

Details of the Surrey pay award for 2022/23 are currently unknown. For the purposes of the draft budget, it is recommended that a 1.9% increase should be incorporated for April 2022 until specific advice is received.
Ensure that incremental pay progression is included from April 2022 where appropriate.

The Employer National Insurance Contributions rate increases from April 2022 by 1.25% for the Health & Social Care Levy. This increase is expected to continue from April 2023 (may not be collected under the National Insurance heading) and should be budgeted for all three years under National Insurance.

Surrey Pay employer superannuation is currently 25.2%. Schools should note that the next triennial evaluation is due in March 2022.

E07 – Costs of Other Staff (budget plan line 56/line 46 special schools)
Include full salary and on-costs to the school of Midday Supervisors and all other staff directly employed by the school and not included above.

Details of the Surrey pay award for 2022/23 are currently unknown. For the purposes of the draft budget, it is recommended that a 2% increase should be incorporated for April 2022 until specific advice is received.

Ensue that incremental pay progression is included from April 2022 where appropriate.

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The Employer National Insurance Contributions rate increases from April 2022 by 1.25% for the Health & Social Care Levy. This increase is expected to continue from April 2023 (may not be collected under the National Insurance heading) and should be budgeted for all three years under National Insurance.

Surrey Pay employer superannuation is currently 25.2%. Schools should note that the next triennial evaluation is due in March 2022.

E08 – Indirect Employee Expenses (budget plan line 57/line 47 special schools)
Include the cost of recruitment and retention, DBS checks, travel expenses, private health care contributions (if paid directly by the school), duty meals, severance, premature retirement or pension deficit costs borne by the school and any other employee expenses. Do **not** include the costs of staff development and training.

For Community and Voluntary Controlled Schools include the apprenticeship levy at 0.5% of basic pay costs.

For Voluntary Aided and Foundation Schools include the apprenticeship levy at 0.5% of basic pay if your total basic pay is more than £3m.

E09 – Development and Training (budget plan line 58/line 48 special schools))
Include development and training costs for all staff, and the costs of resources to provide in service training. Supply costs to cover staff absence should however be included in CFR ref. E02 or E26.

Please ensure that when joint activities are undertaken, between school and Family Centre or as part of confederation activities, any expenditure is shown only once.

E10 – Supply Teacher Insurance (budget plan line 59/line 49 special schools)
The contribution rates for the Surrey Staff Cover Scheme are listed in Section R of the Finance Manual. Note that the supply teacher insurance figure may vary, dependent upon the option taken.

The Surrey scheme contribution rates for 2022/23 are not currently known – for budgeting purposes, please anticipate a 1.9% increase on the 2021/22 rates.

For those schools that use external staff insurance provider, please include the cost of any contributions payable to cover teaching staff directly employed by the school, as a local payment.

E11 – Staff Related Insurance (budget plan line 60/line 50 special schools)
The contribution rates for the Surrey Staff Cover Scheme are listed in Section R of the Finance Manual. The Surrey scheme contribution rates for the 2022/23 are currently not available – for budgeting purposes, please anticipate a 1.9% increase on the 2021/22 rates.

For those schools that use external staff insurance provider, please include the cost of any contributions payable to cover teaching staff directly employed by the school, as a local payment.

PREMISES
Any inflationary increases in local contracts and supplies are likely to be known at school level, and some services may have a greater increase applied to them than others. Schools should be aware of contract renewal dates. The current corporate rate of inflation is 1.9% (October 2021) for non-salary items, this may be revised in the final budget details. It would be prudent for schools to hold a level of contingency to recognise increasing inflation rates and volatility of prices.

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E12 – Building Maintenance and Improvement (budget plan line 61/line 51 special schools)
If using the Repairs and Maintenance Buyback scheme the amount should be included here. Please include all other **non-capital** expenditure relating to building maintenance and improvements.

E13 – Grounds Maintenance and Improvement (budget plan line 62/line 52 special schools)
Enter all non-capital expenditure relating to the maintenance and improvement of grounds, including car parks, play areas, playground equipment, sports fields and pitches on the school campus. Schools that have any trees on the site should include any known costs of tree works or make a provision for potential tree works required during the year.

E14 – Cleaning and Caretaking (budget plan line 63/line 53 special schools)
Include expenditure on supplies used in cleaning and caretaking, as well as any cost of equipment. Charges by cleaning/caretaking contractors should also be included here.

E15 – Water and Sewerage (budget plan line 64/line 54 special schools)
Include here all costs relating to water and sewerage charges, including the emptying of septic tanks if applicable.

E16 – Energy (budget plan line 65/line 55 special schools)
Include all costs relating to fuel and energy, including gas, electricity, solid fuel and fuel oil. SALIX loan repayments should be included here. Schools in the LASER contracts should be aware of any price changes. Schools should be aware of rising energy costs and ascertain when their energy contract is due to be renewed.

E17 – Rates (budget plan line 66/line 56 special schools)
For draft budgeting purposes use your 2020/21 rates figure. Your rates expenditure should equal your rates funding except for this schools where external services have exclusive use of the buildings and therefore are not covered by education funding. From April 2022 the payment of business rates will be centralised, however detailed information about this is not yet available but should not affect the costs borne by the school.

E18 – Other Occupation Costs (budget plan line 67/line 57 special schools)
Include expenditure relating to rents, trade refuse, hygiene services and any other premises costs not identified elsewhere within your budget plan. Please use your 2021/22 rent value unless you know to the contrary.

OTHER SUPPLIES AND SERVICES
Any inflationary increases in local contracts and supplies are likely to be known at school level, and some services may have a greater increase applied than others. Schools should be aware of contract renewal dates. The current corporate rate of inflation is 1.9% (October 2021) for non-salary items, this may be revised in the final budget details.
It would be prudent for schools to hold a level of contingency to recognise increasing inflation rates and volatility of prices.

E19 – Learning Resources (not ICT equipment) (budget plan line 68/line 58 special schools)
Include expenditure on curriculum resources, **excluding** ICT learning resources. Do not include any support service buyback expenditure, as this should be shown against appropriate CFR ref. E23, E27 and E28.

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E20 – ICT Learning Resources (budget plan line 69/line 59 special schools)
Enter an amount for revenue educational hardware, software, supplies and peripherals that are purchased during the year. Include the **cost of broadband** here. Exclude resources used for specific administration purposes, which should instead be identified against CFR ref. E22.

E21 – Exam Fees (budget plan line 70/line 60 special schools)
Include all expenditure relating to examination fees.

E22 – Administrative Supplies (budget plan line 71/line 61 special schools)
Include all expenditure on administrative supplies and services including telephones, bank charges and ICT resources for administrative purposes, etc.

E23 – Other insurance Premiums (budget plan line 72/line 62 special schools)
Enter an amount for insurance buybacks, premises related insurance, vehicle insurance, accident and public liability insurance for persons not employed directly by the school.

E24 – Special facilities (budget plan line 73/line 63 special schools)
Include expenditure relating to swimming pools, sports centres, and payments by schools to another school for the benefit of pupils at the other school. Include payments made to other schools, networks or confederations.

E25 – Catering Supplies (budget plan line 74/line 64 special schools)
Include all catering supplies and provisions, including any private catering contact.

- Include the costs for providing meals for all Free School Meals' eligible pupils.
- Include the costs of providing meals under the Universal Infant Free School Meals scheme.
- For schools using the Commercial Services (Twelve 15) – include the Framework Admin Fee.

The rates for 2022/23 are currently unknown and it is recommended the 2021/22 rates are increased by 1.9%. Schools should be aware of the possibility of increasing costs if contracts are due for renewal.

E26 – Agency Supply Teaching (budget plan line 75/line 65 special schools)
Include projected costs to an agency for teaching staff that have been brought in to cover teacher absence.

E27 – Bought in Professional Services – Curriculum (budget plan line 76/line 65 special schools)
Include expenditure relating to professional services, consultancy and advice purchased from the LA or third party in support of the curriculum. Agency support staff should also be included here.

E28 – Bought in professional Services – Other (budget plan line 77/line 67 special schools)
Include professional services, consultancy and advice to staff and governors purchased from the LA or third party relating to finance, personnel, legal, premises, clerking service etc.

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E30 – Direct Revenue Financing (Revenue Contributions to Capital) (budget plan line 78/line 68 special schools)
Include here any capital expenditure to be funded from the main formula allocation. This amount will automatically be transferred to CFR category CI04. Voluntary Aided Schools should note that any revenue to capital transfer should include VAT as VA Schools are not able to claim this money. If the expected capital expenditure from the budget share in any year will exceed:

- £15,000 or
- 2% of the school's budget share if between £15,000 and £100,000 or
- £100,000 if 2% of the school's budget share is higher than this, the Governing Body must notify the Authority.

Schools should include a suitable explanation within their budget plan.

2.4.4 Pupil focused revenue balances at end of 2022/23

B01 and B02 combined will reflect any surplus of funding, income and expenditure at year end.

B02 – Uncommitted Revenue balances (budget plan line 79/line 69 special schools)
This line will compute automatically based on funding, income and expenditure entered. If the computed amount is negative, you are forecasting a deficit and expenditure plans must be revised downwards to eliminate the deficit.

B01 – Committed Revenue balances (budget plan line 80/line 70 special schools)
Any surplus earmarked for specific purposes in subsequent financial years (e.g. longer term savings for a capital project or commitments for a purchase already instructed but not invoiced) should be entered at B01 – B02 will then 'count down' automatically so that B01 and B02 combined represent the total surplus balance.

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2.5 Community focused revenue budget information and assumptions

Please note that we recognise that schools, networks and confederations will have very different requirements. This section is intended to be flexible to meet your needs. Schools are reminded to refer to Section P of the Finance Manual which contains specific instructions regarding the use of pupil focused funds for community focused purposes and vice versa. Details of any proposed transfers between funds should be included in the box provided at the end of the Community Focused Budget Plan.

Following the effect of COVID over the last two years and the impact that it has had on schools, Governing Bodies should review the sustainability and financial viability of the Community Focused activities. Where community focused activities have made or are predicting a loss in 2021/22, an action plan will need to be put in place to prevent any negative impact on pupil outcomes and ensure a long-term strategy for sustainability can be achieved.

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2.5.1 Community focused revenue balances brought forward from 2021/22

B06 – Community Focused Balances (Budget plan lines 81-82/lines 71-72 special schools)
Estimate any balances relating to community focused extended school activities that are anticipated in the 2021/22 closing revenue balance.

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Where a school intends to transfer surpluses from its community focused activities to support the pupil focused revenue budget, this should be added against **line 3**. A corresponding entry is automatically included against line 80/line 70 special schools – Pupil Focused B/fwd.

2.5.2 Community Focused Revenue Funding and Income 2022/23

I16 – Community Focused Funding and/or Grants – Delegated Funds (budget plan line 83/line 73 special schools)
Please include any funding given directly for community focused activities.

I16 – Community Focused Funding and/or Grants – Other Funding (budget plan lines 84 – 85/lines 73-74 special schools)
These boxes are for any other funding streams used towards community focused services activities.

I16 – Community Focused Funding and/or Grants – EYFE and Other Income (budget plan lines 86-85/lines 76-77 special schools)
Please use these boxes to record any other grants that will be paid locally as income.

I17 – Community Focused Schools Facilities Income – Fees, Other, Service Charge (budget plan lines 86 – 87/lines 78-81 special schools)
Income should only be recorded here where there is associated community focused expenditure in either E31 or E32; otherwise, it will be treated as lettings income I08 line 34.

2.5.3 Community Focused Revenue Expenditure 2022/23

E31 – Community Focused Staff – Operational and Support Staff (budget plan lines 92–93/lines 82-83)
Include the full salary and on-costs to the school of all staff employed directly by the school for community focused activities. Note that if the school directly contracts a 3rd party provider to run the activity, we expect the associated costs to be included in E32.
Please remember that schools must not pay employed staff directly from their local bank account but through the appropriate payroll service.

It is recommended that schools use a **salary budgeting tool** to accurately forecast costs an ensure appropriate levels of employer national insurance and superannuation are included.

Details of the Surrey pay award for 2022/23 are currently unknown. For the purposes of the draft budget, it is recommended that a 1.9% increase should be incorporated for April 2022 until specific advice is received.

Ensure that incremental pay progression is included from April 2022 where appropriate.

The Employer National Insurance Contributions rate increases from April 2022 by 1.25% for the Health & Social Care Levy. This increase is expected to continue from April 2023 (may not be collected under the National Insurance heading) and should be budgeted for all three years under National Insurance.

Surrey Pay employer superannuation is currently 25.2%. Schools should note that the next triennial evaluation is March 2022.

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E32 – Community Focused Costs – indirect expenses, training etc. (budget plan lines 94–98/lines 84-88 special schools)
Include any other staff related costs associated with community focused school activity. Any inflationary increases in local contracts and supplies are likely to be known at school level and some services may have a greater increase applied than others. Include 1.9% inflation for non-salary items this may be revised in the final budget details.
It would be prudent for schools to hold a level of contingency to recognise increasing inflation rates and volatility of prices.

E32 – Community Focused Costs – buildings, grounds, cleaning etc (budget plan lines 99–105/lines 89-95 special schools)
Include any premises related costs associated with community focused school activity. Any inflationary increase in local contracts and supplies is likely to be known at school level. Include 1.9% inflation for non-salary items unless otherwise known.

E32 – Community Focused Costs – Consumables, equipment etc. (budget plan lines 106–114/lines 96-104 special schools)
Include any supplies and services related costs associated with community focused activity. Any inflationary increases in local contracts and supplies are likely to be known at school level. Include 1.9% inflation for non-salary items unless otherwise known.

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2.6 Capital Budget Information and Assumptions

Voluntary Aided Schools – please note that Capital funds/expenditure administered by the Governors or Diocese should **not** be included within this budget plan.

2.6.1 Capital Balances Brought Forward from 2021/22

B03a – Devolved Formula Capital balance (budget plan line 116/line105 special schools)
Include an estimate of any unspent funding for Devolved Formula Capital (DFC), where the allocation has been received by the school.

B03b – Other Capital balances (budget plan line 117/line 106 special schools)
Enter an estimate of all other capital balances (if appropriate), which have not already been accounted for.

2.6.2 Capital Funding and Income 2022/23

CI01 – Devolved Formula Capital (budget plan line 118/line 107 special schools)
Estimates of Devolved Formula Capital for 2022/23 should be based on the 2021/22 methodology until further published rate are provided by the DfE. Schools should have regard for any change in pupil numbers that would affect calculations.
Further details on Devolved Formula Capital can be found at:
https://www.gov.uk/government/publications/capital-allocations

CI01 – Capital Income – Miscellaneous Capital Grants (locally rec'd) (budget plan line 119/line 108 special schools)
Includes capital funding from public sources e.g. LA Basic need. Only include an amount if agreement has been given by the LA to proceed.

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C103 – Private Income (budget plan line 120/line 109 special schools)
This box should reflect private or voluntary income raised for capital purposes.

C104 – Direct Revenue Financing (budget plan line 121/line110 special schools)
The direct revenue financing amount will pull through automatically from E30 – Direct Revenue Financing (revenue contributions to capital).

2.6.3 Capital Expenditure Information and Assumptions 2022/23

CE01 – Acquisition of land and buildings (budget plan line 122/line 111 special schools)
This should include any costs associated with the acquisition of land or existing buildings.

CE02 – New construction, conversion and renovation (budget plan line 123/line 112 special schools)
Please enter any costs associated with new construction, renovations or extensions, including fees.

CE03 – Vehicles, plant, equipment and machinery (budget plan line 124/line 113 special schools)
Please include any capitalised expenditure on the acquisition, renewal or replacement of vehicles.

CE04 – Information and communications technology (budget plan line 125/line 114 special schools)

This box should reflect the costs of computer hardware and software where these are to be capitalised and funded from capital grant.

2.6.4 Capital Balances at end of 2022/23

B03 – Devolved Formula Capital balance (budget plan line 126/line 115 special schools)
Only include a balance for Formula Capital if you know that funds released have not been spent in full at year end.

B05 – Other capital balance (budget plan line 127/line 116 special schools)
This will reflect any other capital balances within the school accounts, not already accounted for.

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