PRIMARY SCHOOLS' BUDGETS: 2023/24
(including infant and junior schools)
EXPLANATORY NOTES AND GUIDANCE

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Resources Directorate
Children, Families, and Lifelong Learning Finance

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PRIMARY SCHOOLS' BUDGETS 2023/24
EXPLANATORY NOTES AND GUIDANCE

1 Introduction and summary

These notes are intended to help you to understand your school's budget share and related funding for 2023/24, to describe the changes which have been made to the funding arrangements for Surrey schools in 2023/24 and to advise you of the action now to be taken by schools. **It is ESSENTIAL that you read at least sections 1, 2 and 4 and we STRONGLY RECOMMEND that you read the whole of the notes.**

Formula funding allocations to Surrey schools for 2023/24 are based on the National Funding Formula less a transfer of 1% of NFF allocations to the high needs block, in line with the safety valve agreement with the DfE in March 2022. As a result of the transfer, in 2023/24 the values of most Surrey formula factors are around 1.5% lower than the NFF values.

Every maintained school is receiving a Notification of Initial Budget Share by email, setting out its total delegated budget and the amounts attributable to individual formula factors. All other supporting information will be published on the Surrey websites (either the main site or the Education Hub).

In 2023/24 schools will receive an additional grant (Mainstream Schools Additional Grant), which distributes mainstream schools' share of the additional schools funding for 2023/24 announced in the Autumn Statement. This must be distributed to individual schools using a formula set by the DfE, and provides an average 3.4% increase in average funding per pupil for most schools, over and above the increase in formula funding.

As in previous years, schools will continue to receive a range of grants during the year, principally pupil premium and recovery and NTP tutoring grants. PE and sports premium, and universal infant free meals grant have yet to be confirmed beyond the summer term. Individual schools' allocations of each grant are calculated by the DfE and are advised to the LA at various points during the year. Thus the LA is not currently in a position to advise schools of those allocations. Please remember that allocations for the academic year 2022/23 of recovery and tutoring grants, and of PE and sport premium, must be spent by the end of the summer term of 2023, and that there are specific reporting requirements for each, failing which DfE may recover funds. You should also assume that corresponding deadlines will apply in future years.

2 Action to be taken by maintained schools

Please ensure that your Chair of Governors and your Governing Body are informed of the initial budget share at the earliest opportunity. Please arrange for the figures in the Notification of Initial Budget Share to be entered in your local records as the opening budget figures and for the notification to be retained where it will be available for audit inspection.

The Surrey Scheme for Financing Schools requires that Governors submit their estimates of spending for 2023/24 to the Director for Education and Lifelong Learning before **1 May 2023.** They should be sent by email to schools.budgets@surreycc.gov.uk. The estimates should be based on the funding shown in all parts of Table A of the Notification plus any other funding which the school can reasonably expect to have made available to it during the financial year. The source of any such additional funding should be identified. **Budget plans should include all funds originating from public sources, which are held by the school for the purposes of the school or of other schools, or held for community focused activities.**

Budget plans should show a surplus at year end (i.e. expenditure should not exceed income plus funding plus balances brought forward). The only exceptions are schools with agreed deficit recovery plans in place, which should comply with those plans. **Schools anticipating the need for a new or increased deficit in 2023/24 should contact schools.budgets@surreycc.gov.uk, but should note that deficits are agreed only rarely and that there can be no assurance that a deficit will be approved. Initial advice to such schools will be provided free of charge. Schools seeking a deficit budget should submit a viable proposed recovery plan, signed by the headteacher and Chair of Governors, to the local authority by 1 June 2023. The proposed deficit at 31 March 2024 should not exceed 5% of the school's budget share.**

As in previous years, schools should be aware that they will need to contain their expenditure within their available funding, including the cost of incremental drift, and any other pay and price increases up to 31 March 2024.

Schools should consult section A of the school Finance Manual for detailed guidance on recommended assumptions on teachers' pay and Surrey Pay arrangements for 2023/24.

Teachers' employer pension contribution rates are expected to remain at 23.68% in 2023/24. Employer pension contribution rates for support staff are expected to be 23% from 1 April 2023.

The apprenticeship levy remains at 0.5% of salary costs for community schools. Other maintained schools are liable for the apprenticeship levy if their salary costs exceed the qualifying threshold.

Guidance on budget preparation and on submission of the Budget Plan is available to schools in the school Finance Manual. See Section A: Budget Preparation.

Most of the data on which this budget allocation is based has been supplied by the DfE, which has matched various pupil characteristics against the October 2022 school census. The LA is required to use that data. If you think any of the data used in the budget is incorrect, please contact Schools Funding team as soon as possible, but please note that we can only amend data with the agreement of the DfE, which is only rarely given. Please note that if the error is due to incorrect information supplied by the school, written confirmation (either letter or email) will be required for audit purposes.

Background information on the 2023/24 budget

3 The total Schools Budget

The County Council is legally required to approve a total Schools Budget, which includes all funding delegated to schools, and a range of other expenditure on schools and pupils, such as free early education for two, three and four year olds provided by private, voluntary and independent nurseries, education of pupils with special educational needs and disabilities in schools not maintained by the council, and education of learners aged 16-25 with special educational needs and disabilities. The total Schools Budget for 2023/24, approved by the Council on 7 February 2023, is £599.3m, plus £513.3m which is deducted by the Education and Skills Funding Agency (ESFA) from Surrey's Dedicated Schools Grant and paid directly to Surrey academies based on Surrey's funding formula and £22.9m which is deducted by ESFA to fund SEND places commissioned by Surrey in special academies, academy SEN centres, and further education and sixth form colleges.

The rate of Schools Block Dedicated Schools Grant received by Surrey in 2023/24 is £4,654.42 per primary pupil (Years R-6) and £6,118.42 per secondary pupil (years 7-11), but this includes assimilation of funding which was provided through the schools supplementary grant in 2022/23. This is an average increase in funding per pupil of 1.81%, plus assimilation of grant. The early years DSG funding rates received by Surrey have been increased by 27p/hr to £5.81/hr for three and four year olds (plus 5p for assimilation of teacher pay and pension funding), and by 62p/hr to £6.87/hr for two year olds, but please note that the hourly funding rates to providers will be lower because some of the DfE funding is used to fund inclusion work, deprivation funding supplement and centrally provided services. Further details will be provided separately.

Funding for business rates, split site costs, and eligible premises rents is provided separately by the DfE. The total amount allocated by DfE for these purposes in 2023/24 is the sum which Surrey planned to spend on them in 2022/23, although funding to individual schools for rates will still be amended during the year to match actual costs. The DfE now uses a separate national formula for allocating funding to LAs for growing schools (and for falling rolls protection for schools with temporary falls in rolls, where the LA provides it). This formula is based on the year on year increase in pupil numbers. Surrey is receiving £1.0m more for growing schools in 2023/24 than in 2022/23, based on growth between October 2021 and October 2022.

4 The national funding formula for schools (NFF)

In 2023/24, the DfE is continuing to use a school level national funding formula (NFF) to allocate funding to local authorities. The government is moving towards a “direct” NFF, whereby individual schools’ funding would be determined directly by the DfE through the NFF, and has stated its intention of implementing a direct NFF no later than the 2027/28 funding year. As a move towards the direct NFF, in 2023/24 all LAs are required to use all NFF formula factors (although Surrey used all of them anyway) and the values of all factors must move closer to the NFF values unless they are already within 2.5% of NFF factor values (which most of Surrey’s already are).

Surrey’s schools funding formula for 2023/24 is based on the NFF factor values except that 1% of schools funding is being transferred to the high needs block, and thus formula factors are set around 1.5% lower than in the NFF. This means

- An increase from 2022/23 of around 0.9% in most formula factors and around 3% in deprivation formula factors after allowing for the assimilation of schools supplementary grant (less some reduction attributable to historic commitment funding). The differential increase reflects the changes in the NFF, in which the percentage increase in deprivation factors exceeds the increase in other factors
- The 0.9% increase has been applied to the lump sum, as in recent years, even though historically the lump sum exceeded that in the NFF. This provides a little protection to small schools;
- Minimum per pupil funding levels (MPPL) implemented in full. These have been increased by DfE by 0.5% plus a sum in respect of schools supplementary grant;
- There is a continued (but reduced) contribution from outside the NFF funding, part of the residue of the former combined services confederation and extra school improvement funding (this is included in the basic entitlement and deprivation factors). The 2023/24 contribution (£125,000) is less than in previous years, in recognition that DfE is phasing this additional funding out.

Although the average funding per Surrey pupil under the NFF in 2023/24 is 0.8% higher than the average in 2022/23 (after the transfer to high needs block), the impact varies widely at school level, depending on changes in deprivation and low prior attainment. Schools on minimum funding guarantee or MPPL will see an increase of around 0.5%, whereas other schools will see slightly higher increases. Schools which would have been on minimum funding guarantee or MPPL even without a transfer to high needs block are unaffected by the block transfer. This means that other schools see an increase which is more than 1% below the NFF increase, even though the transfer to high needs block transfer is 1%.

5 Where to find additional information on the 2023/24 budget

Notification of Initial Budget Share (emailed to schools individually)
This includes details of individual schools' budget shares, including the value of each formula factor for that school and the data on which it is based. This notification should allow each school to understand how its budget share has been calculated.

Information pack for 2023/24 budget calculations (Annex A to Finance Manual)
This will be available within the Finance Manual section of the Surrey Education Services hub via www.surreycc.gov.uk (search for "school management"- any questions please direct to sfmt@surreycc.gov.uk).

Answers to any frequently asked questions will also be provided on this website.

A spreadsheet tool for verifying the accuracy of the calculation will be available on the Surrey Education services hub under Resources>Schools Finance Resources Area>School Budget Verification and Forecasting Tools". Please contact schoolsfunding@surreycc.gov.uk in the first instance with queries on the additional information tables, apart from those concerned with Annex A to the Finance Manual, which should be directed to sfmt@surreycc.gov.uk.

Additional guidance notes will be provided separately for schools with designated SEN centres. Further notes will be provided to schools with nursery classes in due course.

6 Early Years National funding formula (schools with nursery classes)

Funding for schools with nursery classes will be adjusted termly, usually at the end of each term, based on the number of children in the nursery class in the week of the termly school census and their hours of attendance. Initial indicative budgets for nursery classes are not yet available and will be advised as soon as possible. The initial indicative budgets will use January 2023 census data for summer 2023 and spring 2024 funding and will use October 2022 data for autumn 2023 funding. Please note that this does not mean that we think these are realistic estimates of future terms' takeup and **you are advised to base your budgets on your own estimates of takeup**. Funding for free school meals for nursery class pupils, and additional funding for nursery class pupils admitted after the termly count date, will be provided for qualifying pupils, on application by the school only. Early years basic funding rates and deprivation rates for 2023/24 will be advised before the end of March 2023.

Early years pupil premium will be paid termly at 62p/hr for eligible pupils (up to 15hrs/week), based on termly census data. Therefore it is important that schools enter eligible pupils as such on the School Census if:

* they are eligible for free school meals, or would be if they were full time (you need to ask the Funded Early Education Team to check eligibility using the DWP Eligibility checking service)
* they have been adopted from care or have left care under a special guardianship order or a child arrangement order (you need to obtain the relevant information directly from the parents).

Early years pupil premium for looked after children will be paid by the Virtual School.

7 Other circumstances where schools' funding may change during 2023/24

Schools' budget shares are set at the start of each year. In 2023/24, once again, changes to funding will be made during the year only in very limited circumstances. The main adjustments which will still be made during the year are:

Business rates:
Schools will still be funded for rates at actual cost, with an amendment made during the year to match funding to final cost.

Funding for high needs pupils (pupils with Education Health Care Plans: the "IPSB")
IPSB allocations for support for individual high need pupils are calculated on a calendar day basis, where new Education Health Care Plans are issued, or existing plans cease or are reviewed.

In 2023/24, the initial budget allocations will not include an estimate for IPSB funding. Schools will be supplied with itemised pupil level schedules of initial summer term 2023 allocations, which will be emailed to schools early in the summer term. Budgets for 2023/24 will be updated in due course. This data will be more accurate than that which we are able to supply at present.

During the year, schools will be supplied periodically with updated schedules of pupils believed to be receiving IPSB funding and will be asked to update these where necessary, including advising of any pupils who have left the school. Funding will then be updated termly, including agreed changes.

Top up funding for pupils in SEN centres
This will be adjusted during the year, as pupils move into and out of the centre during the year. Funding will be updated at least termly, based on the number of calendar days for which each pupil is on roll. Additional place funding will also be provided where the number of pupils in the centre exceeds the number for which place funding has already been provided.

Funding for designated high need admissions under the In Year Fair Access Protocol
Funding will still be allocated during the year for pupils admitted under the protocol, who fall into categories for which the protocol states that additional funding is due. This funding counts as high need funding. Currently this applies only to eligible year 11 pupils, and thus it is not relevant to primary schools.

Adjustments for permanently excluded pupils, reintegrated excluded pupils and managed moves
These will also be made during the year, usually termly in arrears.

Growing schools funding, for significant increases in pupil numbers from September 2023 (where there is no change in the age range of the school)
Where a school's budget includes additional sums for increases in pupil numbers from September 2023, because of a change in PAN supported by the LA or a local authority request to exceed PAN (eg to admit a bulge class), **the initial funding will be based on an estimate and will be adjusted to match the actual number on roll in October 2023,** when known, except where guaranteed place funding has been agreed. Please note that guaranteed funding for vacancies, where agreed, is paid at the basic entitlement rate only (or 95% of that rate for junior vacancies) for classes agreed before January 2019 and at 90% of basic entitlement funding for classes opening in, or after, September 2019 as a result of decisions taken after 1 January 2019. We have not included funding for new bulge classes from September 2023 in initial budgets unless we have had confirmation from Schools Planning that the school has agreed to admit the additional class and that any necessary building work is feasible. Some other schools may yet be asked to admit additional classes, over PAN,

from September 2023 and their budgets will be adjusted where this is necessary, as additional information is made available.

Where a school expects such funding, but it is not included in the budget letter, we suggest that the area schools commissioning officer is contacted in the first instance.

Any school allocated funding for additional pupil numbers from September 2023 should look carefully at the pupil numbers shown in the budget notification. Schools are asked to contact Schools Funding team urgently if they think these do not look realistic, as sometimes late changes are made to arrangements for additional classes, of which the team may not be aware. In particular, growing schools funding for new classes should not be allocated where the school is not expecting an increase in the number of classes from September 2023 (although vacancy funding may still be allocated in these circumstances where the school has existing eligible bulge classes).

Funding for admissions appeals for "own admission authority" schools

Additional funding for admissions appeals will be made available during the year, usually in February, based on the number of appeals required between January 2023 and December 2023. Schools not using the Surrey appeals service will be asked to supply the necessary data, probably in January 2024. Funding rates for 2023/24 are expected to be the same as in 2022/23 i.e.

- £48 per appeal lodged
- An additional £121 per appeal arranged
- An additional £176 per appeal heard

Thus an appeal heard between January and December 2023 attracts funding for all three stages (£48+£121+£176).

8 Schools extending age range, which are funded using estimated average pupil numbers for the financial year

Where a school is extending its age range (ie where there will be more year groups in the school in October 2023 than in October 2022), the school must be funded using 5/12 of actual October 2022 pupil numbers and 7/12 of estimated October 2023 pupil numbers for the key stage in which new year groups are being added. October 2022 pupil numbers are used in the normal way for other year groups. Funding for these schools will be adjusted by replacing estimated October 2023 pupil numbers with actual numbers for the expanding key stage only, when the actual October 2023 numbers are known. This adjustment will be made in the following year. Sometimes adjustments to vacancy funding will also be needed. See section A4 below for further information. Exceptions apply where the school is changing PAN (or losing a bulge class) in addition to extending age range.

9 Mainstream schools additional grant

This is a new DfE grant for mainstream schools for 2023/24, which will be distributed to individual schools using a formula set by DfE. The funding rates for Surrey primary schools, including area cost uplift, are expected to be:

- £4,771.129 per school
- £125.8901 per primary pupil
- £110.0216 per primary "Ever 6" FSM pupil

We expect this grant to be merged into the schools national funding formula in 2024/25, just as the schools supplementary grant is being merged into the NFF in 2023/24. Funding projections in the verification and forecasting tool assume that the value of the mainstream schools additional grant factors will be added to the NFF formula factors in 2024/25. However, this cannot be guaranteed.

10 The Pupil Premium

In 2023/24 the DfE's Pupil Premium rates have increased by 5% over 2022/23. Once again, funding will be based on the latest October school census data (not January) ie:

* £1,455 per FTE pupil aged 4-10 on roll at the school for the October 2022 census and entitled to free school meals either in October 2022 or at any school on any census date between January 2017 and October 2022 inclusive (described by DfE as "ever 6 FSM"),
* £1,035 for every "Ever 6 FSM" pupil aged 11-15,
* £335 per FTE "Ever 6" service child ie a service child (as defined in the School Census guidance) on roll at the school for the October 2022 census or a child on roll in October 2022 who was recorded as a service child on roll at any school in one or more of the preceding six years (ie between January 2017-October 2022 inclusive), even if not currently a service child (DfE will identify Ever 6 service children who are not currently service children);
* £2,530 for every child on the October 2022 census who has been adopted from care or has left care under a special guardianship order or child arrangement order ("post LAC"). Schools need to identify these children (by asking parents) and to ensure that they are recorded as such on the School Census.

In addition, pupil premium funding is allocated per child looked after by Surrey, but this will be allocated to schools termly during the year, as determined by the Virtual School. Pupil premium funding for looked after children is the responsibility of the LA with 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. Where a pupil qualifies for looked after children pupil premium, or pupil premium as adopted from care, that pupil will not also receive Ever 6 FSM pupil premium. The DfE will adjust funding for such pupils later in the year to remove any double funding, usually in December, and so schools may see a reduction in "ever 6 FSM" pupil premium funding at that point.

The pupil premium funding is fully delegated to schools, but the government expects schools to report on their website on how they spend it.

Pupil premium allocations are not stated in the budget notification because the allocations have not yet been published by DfE (see above).
However, schools should make an estimate of their pupil premium allocations and include it as available funding when setting their budgets. In due course, schools will be able to identify the individual Ever 6 FSM pupils from the DfE's Get Information about Pupils website.

Note that a deduction is made from schools' budgets where a pupil, entitled to pupil premium, is permanently excluded, or where such a pupil leaves a school for other reasons and is educated at the authority's expense other than in a maintained school or academy.

11 Funding changes in future years

The DfE now restricts the extent to which local formulae may vary from the NFF. Thus changes in future years are likely to be linked to changes in the NFF, although the extent of such change will still be subject to local consultation and affordability.

We are always happy to look at suggestions for improving the distribution of funding among Surrey schools, subject to the constraints of the NFF. Schools wishing to make representations about school funding issues should either contact the Schools

Funding team or their local Schools Forum representative (see list at http://www.surreycc.gov.uk/schools-and-learning/teachers-and-education-staff/schools-and-learning-finance/schools-consultative-groups).

WARNING
These notes are intended for maintained schools. Funding for academies is based on the LA's funding formula, albeit based on academic years rather than on financial years, but there may be differences in the calculation of minimum funding guarantees and ceilings, and in some SEN funding. Any Surrey academy is welcome to use these notes and may find them helpful, but they should regard them as a general guide only.

Schools Funding Team
Children, Families, and Lifelong Learning Finance   Surrey County Council
28 February 2023

Annex
Additional information on schools funding in 2023/24, including changes to the funding formula

A1 Summary of Surrey's primary and secondary schools funding formula

Surrey's schools funding formula for primary and secondary schools in 2023/24 is summarised below.

	Primary £	Secondary £
Basic entitlement per pupil		
Primary	3,536.5216	
KS3		4,980.9181
KS4		5,614.8428
Deprivation		
Per pupil entitled to free school meals	500.2310	500.2310
Per "ever 6" FSM pupil	746.1957	1073.4123
Per pupil with IDACI score in band F	240.6367	349.1195
Per pupil with IDACI score in band E	292.9413	463.7558
Per pupil with IDACI score in band D	460.3427	646.1317
Per pupil with IDACI score in band C	502.1820	708.6606
Per pupil with IDACI score in band B	533.5780	760.7679
Per pupil with IDACI score in band A	700.9574	969.1975
Per looked after child-no longer permitted		
Low prior attainment/high incidence SEN		
Per eligible low attainer based on Foundation Stage Profile (see below)	1,203.6808	
Per KS2 low attainer		1,823.7588
Per EAL 3 pupil	604.4458	1,630.9614
Pupil mobility (per mobile pupil>6%)	984.8297	1417.3211
Lump sum/flat rate	136,241	142,874
Sparsity (max value)	58,673	85,352
Sparsity-max average pupils per year group	21.4	120
Minimum per pupil funding level	4,405	5,715
Minimum per pupil funding level (KS3 school)		5,503
Minimum funding guarantee 0.5%		
Ceiling (maximum % gain per pupil) 1.562%		

These rates are gross of sums de-delegated (see below). Additionally, the formula includes funding for:

* business rates, at actual cost (net of rates on ineligible areas, ie those used for community purposes or wholly or mainly used by a third party who pays for occupation);
* rents of eligible accommodation (where full year cost exceeds 1% of a school's budget share);

* split site funding, where schools are on two or more sites and the sites do not share a boundary, so that it is necessary to use a public right of way to go from one site to another. This includes the enhanced split site factor for the remaining “federal” primary school and the “federal allowance” for this school, whereby individual sites are funded for a minimum of 40 pupils on roll (or the total number of places available on the site if the school chooses to offer fewer than 40). The maximum split site allocation for any site is the lump sum which the site would receive were it a separate school. Federated schools (ie separate schools sharing governing body and headteacher) are funded as two separate schools (ie two lump sums) and do not receive split site funding unless one of the schools would have received split site funding even if it had not been federated. Please note that the council will not automatically fund new split sites, nor will it fund split sites which are not used for teaching purposes, or offsite playing fields.

Funding is provided outside the formula for:

- growing schools (additional classes from September 2023, including resources allocations, and protected vacancy funding for eligible existing expansion classes),
- designated SEN centres
- high needs SEN pupils other than in designated SEN centres

Funding for infant nurture groups cannot be confirmed at this point.

Most formula factors are based on October 2022 pupil numbers and characteristics.

A2 Changes to the schools funding formula from 2022/23 to 2023/24

The main changes for 2023/24 are:

- increase in formula factors of around 1.5% less than the increase in NFF rates (in order to fund the transfer to high needs block while delivering MPPL and a 0.5% MFG), except that the increase in basic entitlement, FSM6 and IDACI factors was slightly lower, in order to continue the phasing out of the old historic commitments funding, which is outside NFF;
- Minimum funding guarantee of 0.5% (the highest permissible),
- Ceiling of 1.562% on per pupil gains, largely in order to offset increased cost of EAL, low prior attainment and deprivation (incidence of low prior attainment has reduced year on year in recent years, but 2023/24 is the first year since 2020/21 in which new data has been available and this shows an increase in incidence)
- Increasing the minimum per pupil funding levels (MPPL) in line with the increase provided by the DfE, to £4,405 (primary), £5,715 (secondary) or £5,503 (key stage 3 only schools).

The delegated formula has been supported by £2m of DSG growth allocation, not expected to be required to fund pupil growth. Use of growth fund in this way is expected to be a one-off measure for 2023/24.

Minimum per pupil funding level (MPPL)
The NFF includes minimum per pupil funding levels for primary and secondary schools. These minimum levels have been increased by 0.5% since 2022/23, plus a sum to reflect the assimilation of schools supplementary grant. Once again, in 2023/24, Surrey has allocated minimum per pupil funding at the full NFF rates.

If a primary school’s average formula funding per pupil (excluding rates, rents, split site funding, and recycled contingency funding) is less than £4,405, it receives an additional MPPL allocation to increase the average per pupil funding to £4,405 (which is shown in the budget notification).

If a primary school is subject to a ceiling deduction, that deduction is reduced if it would otherwise reduce the average funding per pupil below £4,405.

Note that the lump sum is included in the calculation of MPPL (whereas it is excluded from the calculation of the average year on year funding increase per pupil, which drives the minimum funding guarantee). In general, the MPPL benefits large schools with low incidence of additional educational needs, because those are the lowest funded otherwise.

Delegation of residual surplus school specific contingency
No distribution has been made from residual school specific contingency underspend in 2023/24, but no “de-delegation” deduction has been made for a school specific contingency either. Instead, we anticipate carrying forward the expected contingency underspend for use for the same purpose in 2023/24.

A3 Additional information on individual formula factors

3.1 High incidence SEN

In 2023/24 the definition of a funded low attainer is the same for all primary year groups: ie a pupil not reaching the expected level of development in “the early learning goals in the prime areas in section 1 of the March 2017 or March 2021 statutory frameworks for the Early Years Foundation Stage and also the early learning goals of reading, writing, numbers and shape, space and measures in those documents”.
The number of pupils funded in any school is:

$$\frac{\text{Number of low attaining year 1/5/6 pupils +3x low attaining y4 pupils}}{\text{Number of Year 1/5/6 pupils (+y4x3) with Foundation Stage Profile results}} \quad \text{X} \quad \text{total number on roll (year R to 6)}$$

Year 4 counts three times because no results are available for current year 2 or 3 because the 2020 and 2021 tests were cancelled.

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3.2 Pupils with English as an Additional Language (EAL3)

This uses the number of pupils shown as EAL on the October 2022 census who were not on the Oct 2019 census in year R or above, ie they are EAL and had been in the English school system (in year R or above) for fewer than three years on the date of the October 2022 census.

3.3 Looked after children

This factor is no longer used, because it is no longer allowed in 2023/24.

3.4 Pupil mobility

Funding for pupil mobility is based on the number of pupils on roll in October 2022 who were admitted to the school within the previous three academic years and who first appeared on a January census (except in year R) or a May census. Pupils initially admitted to nursery classes are counted as admitted when they entered year R. The first 6% of “mobile” pupils do not attract funding. For 2020 (when there was no May census) pupils who first appeared on the October census with start dates between 17 January 2020 and 20 May 2020 were deemed mobile.

It is important to note that funding is based on pupils on roll in October 2022 who were originally admitted at unusual times. We are not allowed to provide funding in 2023/24 for pupils admitted as casual admissions in 2023/24, other than those eligible for funding under the In Year Fair Access Protocol. This is consistent with previous years.

3.5 Sparsity

"Sparsity" funding for small, remote rural schools is part of the NFF. This benefits:

- primary schools with an average year group size below 21.4 where pupils' average road distance from home to the next nearest school exceeds 2 miles (six schools in Surrey in 2023/24);
- secondary schools with an average year group size below 120 where pupils' average road distance from home to the next nearest school exceeds 3 miles (no schools in Surrey in 2023/24).

Note that eligibility for sparsity is reviewed each year, and a school may be eligible in one year but not in the next.
Schools where the average qualifying distance is slightly below the threshold are now eligible for sparsity funding, but at a reduced rate. This affects primary schools where the average distance to the next nearest school is between 1.6 and 2 miles, and secondary schools where the average distance to the next nearest school is between 2.4 and 3 miles. These changes do not make any additional Surrey schools eligible for sparsity funding in 2023/24.

A4 Use of estimated average pupil numbers for schools extending age range (eg infant schools expanding to primary schools)

In 2023/24, where schools are extending their age range, we are required to base their formula funding on the average of October 2022 pupil numbers (x 5/12) and estimated October 2023 pupil numbers (x 7/12). This is instead of funding the extra classes through growing schools allocations. These schools will receive only the resources and missing year group allocations from growing schools funding.

Where estimated pupil numbers are used in this way, budgets will be updated by replacing estimated pupil numbers by actual October 2023 pupil numbers when these are available, but this adjustment must be made retrospectively in 2024/25. Estimated pupil numbers and updates will be used only for expanding key stages (eg for an infant school expanding to a primary school all key stage 2 pupil numbers will be updated but unmodified October 2022 pupil numbers will be used for infant pupils). The only exceptions are where a school which is changing age range is simultaneously changing PAN (or losing a bulge class within the old age range). In these circumstances, average pupil numbers will also be used for year groups affected by the change in PAN or loss of bulge class, but not for other groups in the existing key stage.

Where a school was funded on estimated average pupil numbers in 2022/23, the 2023/24 budget includes any adjustment needed in order to correct estimates to average pupil numbers.

A5 Use of average pupil numbers for schools losing bulge classes in September 2023

A small number of schools will lose bulge classes in September 2023. We have funded these schools using estimated pupil numbers based on October 2022 pupil numbers less 7/12 x pupil numbers in the bulge class. Thus they only receive part year funding for the bulge class. This is because the loss of the bulge class is a planned change and because the bulge class was funded from September in the year in which it was admitted.

A6 Funding for schools reducing PAN in September 2023 (ie where the PAN in September 2023 is lower than the PAN when the July 2023 leaving group was admitted)

In 2023/24 we will make adjustments to funded pupil numbers in one school where a year 3 PAN is being removed as part of a local reorganisation. Otherwise, schools reducing PAN will be funded on October 2022 pupil numbers in the normal way. We will be looking further in future years at whether there are circumstances in which an adjustment to pupil numbers is appropriate for schools reducing PAN, but we would not expect any such adjustment to apply where a reduction in PAN has already been agreed.

Where a school has published a reduction in PAN but for any reason that does not occur, we will not normally recognise as a bulge class pupils admitted above the new PAN but within the old one, where the number of pupils entering does not exceed the number in the leaving group.

A7 Warning to schools with bulge classes due to leave in July 2024

Schools which have bulge classes which are due to leave in July 2024 should anticipate that those bulge classes will be funded for only 5/12 of the financial year 2024/25, although this will require DfE approval. Similar changes should be expected if similar circumstances arise in later years.

A8 De-delegated services

Funding for a number of services is “de-delegated” from maintained schools. This means that funding is included in the formula budget share and in the funding rates shown in section A1, but is then subtracted from schools’ budgets before they receive them. The services are then funded centrally. “De-delegation” from maintained primary schools requires annual approval from the representatives of maintained primary schools on the Schools Forum. The budget notification shows the sums de-delegated for individual responsibilities.

The “de-delegation” rates for behaviour support have been changed, to be consistent with changes to the incidence of FSM6 and IDACI deprivation funding indicators in the formula. The average deduction for both behaviour support and travellers support has increased by 0.8% per pupil, in line with the expected increase in formula factor values (excluding assimilation of grant) to recognise increased pay and other costs. The cost of licences and subscriptions has been amended to reflect provider charges.

The services de-delegated from maintained primary schools’ budgets in 2023/24 are:

	Basis of “de-delegation”
Behaviour support services	£7.12/pupil £44.23/FSM6 pupil £14.26/pupil on IDACI band F £17.37/pupil on IDACI band E £27.29/pupil on IDACI band D £29.77/pupil on IDACI band C £31.63/pupil on IDACI band B £41.55/pupil on IDACI band A
Licences and subscriptions	£4.23/pupil*
Special staff costs (union reps)	£1.47/pupil
Special staff costs (other public duties)	£0.59/pupil
Free school meals eligibility checking service	£275/school
Underperforming ethnic minorities:	

REMA Support for travellers	£9.34/pupil

*note: reduced from the rate proposed in the consultation paper, now that we know the projected charges.

Where a service is fully delegated (and not de-delegated), schools will be expected to pay for any support which they need from that service. In particular, funding for pupils with EAL is fully delegated to all schools and thus will be charged to all schools using the service. Some services may offer additional support on a traded basis, over and above the "free" service funded from de-delegated funds.

A9 The central services levy (Education services deduction)

In 2023/24, a deduction of £51.23/pupil (in year R-11) will be made from maintained primary schools' budgets for a range of central services previously funded from general education services grant. This is the same as in 2022/23.
£35.98 of the levy is for residual statutory responsibilities of the local authority which apply to maintained schools only and which were funded from the levy in 2021/22, including:

* new redundancy costs (where eligible under LA criteria);
* administration of teachers' pension contributions;
* financial monitoring of maintained schools;
* statutory HR, health and safety and risk management duties in respect of maintained schools;
* data collection eg school census;
* statutory monitoring of national curriculum assessment.

£6.50 per pupil is a contribution to statutory school improvement services for maintained schools (£6.50 per pupil), first levied in 2022/23. The LA has not increased this contribution from 2022/23, despite the removal by DfE of the remaining 50% of school improvement monitoring and brokering grant from April 2023, but the LA general fund will bear the remainder of the cost.
£8.75/pupil is for additional school improvement support (intervention fund) which was de-delegated prior to 2022/23. (NB This has been reported to DfE as de-delegated, and thus will be treated as such for academy conversions).
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The "central services levy" deduction is meant to fund statutory duties of the LA which cannot be traded. Many associated services are traded and will remain traded in 2023/24.

A10 The Minimum Funding Guarantee and the ceiling

10.1 The level of the Guarantee

In 2023/24, Surrey has set the minimum funding guarantee for both primary and secondary schools at 0.5% ie all schools will see an increase in average funding per pupil of at least 0.5% (subject to the usual exceptions) compared to 2022/23), after assimilation of schools supplementary grant. This increase is the maximum permitted, and it is consistent with the majority preference of schools as expressed in the September 2022 funding consultation. It compares with a 2.0% increase between 2021/22 and 2022/23.

10.2 Factors excluded from the Guarantee

The Guaranteed Minimum Funding for any primary or secondary school in 2023/24 is based on its adjusted final budget share for 2022/23 plus its allocation of schools supplementary grant in 2022/23. The adjusted budget share is the formula budget (excluding any prior year adjustments), less a number of exceptions.

Nationally specified exceptions:

- business rates;
- the 2023/24 lump sum (£136,241 for primary schools) is subtracted from both old and new year baselines;
- transitional lump sums for merged schools;
- the 2023/24 sparsity values (if any) are subtracted from both years' baselines;
- adjustments for permanent exclusions, reintegrations and managed moves.

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Locally agreed exceptions

- funding for rents and for split site costs
- The one-off refund of unspent de-delegated contingency in 2022/23 (there is no such allocation in 2023/24).

Any funding outside the budget share is excluded from the minimum funding guarantee calculation. Thus, funding for high needs SEN (individual EHCP support), top up funding for SEN centres, designated nurture groups and admissions under the in year fair access protocol are all outside the minimum funding guarantee. Growing schools funding, SEN centre place funding and early years funding are also outside the guarantee.

Where a factor is excluded from the adjusted budget, its 2022/23 value is subtracted from the 2022/23 budget before calculating the 0.5% per pupil minimum increase for 2023/24. Any additional funding required to deliver the Guarantee in 2023/24 is then added, and finally the 2023/24 value of the excluded factor is added back. This means a higher Guarantee for some schools, but a lower Guarantee for others. Note that because the 0.5% minimum increase is calculated excluding the lump sum, the average increase per pupil in a school on minimum funding guarantee is actually less than 0.5%.

The additional funding per pupil under the guarantee is calculated as follows:

$$\frac{\text{(Total 2022/23 adjusted budget share)x1.005}}{\text{Oct 2021 pupil numbers (Year R to 11)}^{1}} - \frac{\text{(total 2023/24 adjusted budget share)}}{\text{Oct 2022 pupil numbers (Year R to 11)}}$$

where the above result is greater than zero.

10.3 The ceiling

Local authorities are allowed to impose a ceiling (or limit) on increases in average funding per pupil. Surrey has set a ceiling of 1.562% for 2023/24, which means that no school will see an increase in average per pupil funding exceeding 1.562% (subject to the same technical adjustments as in section 10.2).

Where a formula factor is excluded from the Minimum Funding Guarantee calculation, it is also excluded from the calculation of any ceiling.

Please note that the Guarantee restricts losses whether they are due to changes in the funding formula or to changes in the need profile of the school. Similarly the ceiling limits gains whether they are due to changes in the funding formula or to changes in the need profile.

In 2023/24:

- 103 primary schools are on the minimum funding guarantee, (or would be if they were LA maintained schools),
- 88 primary schools are on the minimum per pupil funding level (of which 51 are also on minimum funding guarantee)
- 101 are on the ceiling
- 58 are funded directly by the formula.

[1] Or average pupil numbers for formula purposes for schools where the budget is based on average pupil numbers

A11 The notional SEN budget

The authority is required to publish a notional SEN budget for each school. This must be defined using NFF formula factors, but otherwise the basis of definition is a local matter. Surrey divides its notional SEN budget between level 1 (part of basic entitlement) and level 2 (part of additional needs funding).

The level 1 notional SEN budget for primary schools is £132.2576 per pupil.

The level 2 notional SEN budget for primary schools is made up as follows

				£ per pupil				£ per
on free school meals	FSM6	in IDACI band F	in IDACI band E	in IDACI band D	in IDACI band C	in IDACI band B	in IDACI band A	Low prior attainer
0	212.8896	68.6537	83.5762	131.3358	143.2725	152.2298	199.9831	485.2872

The level 2 rates have been set so that the percentage of each factor deemed notional SEN funding remains the same in 2023/24 as in 2022/23.

Level 1 and level 2 notional SEN funding are both included in the budget share (and in the units of resource shown in section A1). The values of Level 1 and level 2 notional SEN funding are shown in each school's initial budget notification.

A12 High Needs block funding

High needs block funding in mainstream schools is funding for pupils whose additional needs cost more than £6,000. These will generally be pupils with Education Health Care Plans (EHCPs). Where high needs block funding is allocated to primary and secondary schools, it falls outside the budget share, apart from place funding for schools with SEN centres. High needs funding constitutes level 3 SEN funding.

12.1 The Individual pupil support budget (IPSB)

In 2023/24, once again, schools will be required to fund the first £6,000 of additional support per high need pupil from their main budgets (12.3747 points). Funding for additional support costs above £6,000 will still be provided separately, at £484.86 per point. The £6,000 threshold is a DFE requirement. The £6,000 deduction will not be made for high needs pupils in nursery classes or for additional support for pupils in SEN centres.

12.2 Other high need SEN funding included in the budget

High needs funding also includes funding for SEN centres (ie units and resources). Occupied places in SEN centres are funded at £6,000 per place but the pupils also receive mainstream formula funding if they were on roll in October 2022. "Vacant places" (those not occupied on October 2022 census date) are still funded at £10,000 per place. Pupils in SEN centres also receive a per pupil top up, which varies during the year as pupils move into and out of centres, and thus **the initial allocation should be seen as an estimate**. The top up rate varies according to the pupil needs for which the centre provides but no longer varies according to the characteristics of the pupils in the school. Further details will be supplied to schools with Centres**.**

A13 Growing schools funding

The single pupil count means that schools' budgets are not automatically adjusted for changes in pupil numbers during the course of the year. However, funding will be adjusted for increases in pupil numbers in a limited number of special circumstances. The general principle is that adjustments will be made for increases which arise from external circumstances over and above the normal year on year variation in pupil numbers. **Where such adjustments are included in schools' initial 2023/24 budgets, they are provisional**, and will be recalculated based on October 2023 pupil numbers when these are known. **Initially we have usually funded expected additional classes in full, and we will adjust downwards, if necessary, once October 2023 census data is available**, although we will fund vacancies (but at a lower rate) where eligible (see s13.3 below). Where similar circumstances arise during the course of the year, the authority will consider requests for additional funding on their merits, in line with the principles set out here. Note that sections 13.1 and 13.2 do NOT apply to schools expanding by extending age range (see section A5) unless they are also asked to admit bulge classes.

13.1 Where a change in pupil numbers can be attributed to a change in PAN:

The general principle is that increases in numbers attributable to a change in PAN will be funded for 7/12 of the year. For primary schools the increase in numbers funded will be the lowest of:

- The September 2023 PAN (admission year for September 2023 starters) less the PAN in the year in which the summer 2023 leavers were admitted[2]);
- the number of pupils in the entering year group(s) in October 2023 less the number of pupils in the leaving year group in October 2022;
- the number of pupils in the entering year group in October 2023 less the PAN in the year in which the summer 2023 leavers were admitted[2];
- the PAN in September 2023 less the number of pupils in the leaving year group in October 2022.

All of these are subject to the increase in PAN being ten or more and to there being an actual increase in pupil numbers in the entering group compared to the leaving group.

Please note that adjustments to funded pupil numbers will normally be made where bulge classes leave (see sections A5 and A6 above).

Schools expecting to meet the growing schools criteria may include an estimate of growing schools funding in their budget plan, but by accepting such an estimate in the budget plan, the LA does not commit to placing or funding the number of pupils estimated by the school.

13.2 Schools asked by the authority to admit in excess of PAN (including bulge classes)

Where a school is asked by the authority to admit significant numbers of additional pupils above PAN in September 2023, because the authority has no other places available for these pupils within a suitable travelling distance, then the net increase in the total number of pupils admitted for this reason will be funded from September 2023 (based on October 2023 count, when known). However, the additional pupils will not normally be funded after August in the year in which they leave the school. Therefore the school will receive funding for the additional pupils for the same number of years as they are in the school, but the funding will run from September to August, rather than from April to March as in the normal way. This funding will only be available where either Schools Commissioning has asked the school to open a "bulge class" or where the Admissions and Transport team has made it clear that the additional pupils qualify for part year funding, when agreeing admission numbers with the school. For the avoidance of doubt, additional pupils admitted on appeal are not

[2] September 2016 for primary schools, September 2019 for junior schools, September 2020 for infant schools

counted as “admitted at the request of the authority” for this purpose, as they are admitted as a result of an independent appeals process, whether or not run by the LA, not as a result of the LA’s normal admissions process. Neither are pupils admitted after September 1 as pupils with EHCPs, or under the High Needs Pupil Admission scheme/Fair Access Protocol, funded under this section. Any school believing that it is entitled to funding from September 2023 under this section should contact Schools Funding as soon as possible, after obtaining the support of the Admissions team.

Funding for sections 13.1 and 13.2 will be pro rata to average pupil led funding (Minimum funding guarantee baseline plus minimum funding guarantee/ ceiling, LESS de-delegated sums and central services levy for maintained schools). For academies this will be the baseline calculated from the LA formula (not the ESFA figure starting from 2023/24 general annual grant, if that is different).

13.3 Protected vacancy funding for new bulge classes and for the first year of permanent expansion

Where a school is asked to admit a bulge class at year R or year 3 from September 2023, vacancies in that class will normally receive funding from September 2023-March 2024. Where a school is in the process of permanent expansion, the first three consecutive years’ extra classes will attract vacancy funding, including any bulge classes admitted immediately before the permanent increase in PAN.

The rate of vacancy funding will be 90% of basic entitlement (net of “de-delegation” and central services levy) where the expansion was not committed before 1 January 2019. For previous commitments, the rate of funding will be 100% of net basic entitlement for eligible infant vacancies and 95% for eligible junior vacancies.
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13.4 Additional funding for new and expanding primary schools

Schools extending age range will receive £8,000 resources allocation per class for each new year group, plus an additional £4,000 for supply cover for curriculum development in the year in which an infant school first admits a year 3 group, or a junior school first admits a year R group. For the avoidance of doubt this section does NOT apply to schools expanding their age range by admitting pupils from a closed school. Schools with a PAN of 15 extending their age range will receive £8,000 in alternate years (eg £16,000 in total for an infant expanding to primary).

Schools increasing PAN will receive £8,000 per additional class admitted in the year due to the PAN increase. Schools admitting bulge classes will receive £8,000 resources allocation in the year in which the bulge class is admitted, unless a previous bulge class leaves at the same time. Primary schools will receive an additional £8,000 in the year in which the bulge class moves from year 2 into year 3 (unless simultaneously a year 6 bulge leaves) but will not receive resources funding for a year R bulge which enters the school immediately after a year 2 bulge has moved into year 3.

Occasionally a school may wish to ask the Schools Forum to consider a special case for additional growing schools or vacancy funding. Such requests will be considered carefully but are expected to be rare. Schools are asked to note that the Schools Forum does not normally meet between mid January and early May.

13.5 Funding for missing year groups

New or expanding maintained schools with missing year groups will receive £12,500 per missing year group per academic year. Thus in 2023/24 an infant school expanding to a primary school, admitting year 4 in September 2022 and year 5 in September 2023 will receive

5/12 x £12,500 x 2 + 7/12 x £12,500 x 1

because it is missing two year groups in the summer term and one year group in the autumn and spring terms.

Where, exceptionally, the LA supports the expansion of age range of a school with a PAN of 15, missing year group funding will be paid at half rate.

For an academy the rate per missing year group is £13,500 pa. The lower rate for maintained schools recognises their wider access to free centrally funded services.

13.6 Excepted pupils in infant classes

For the avoidance of doubt, pupils admitted to infant classes who match the definition of excepted pupils in the infant class size regulations, do not attract additional funding in the year of admission as pupils admitted in excess of PAN, although occasionally exceptions may be considered where a school is asked to admit several of them. These pupils are funded in future years in the same way as any other.

13.7 Total value of growing schools fund

The total growing schools fund approved by Schools Forum for 2023/24 is £3.590m, to cover the categories of funding set out in sections A13.1-13.5 and A14. In addition £1.141m is required for technical adjustments for extra classes in academies between April-August 2023 (the cost of which is offset against academy recoupment). A further £2m allocated as growth funding by DfE has been transferred to support the main formula (see A2 above).

A14 Funding for vacancies in recently expanded schools and for schools with existing bulge classes

Where a school has an existing infant bulge class, on which a guarantee of "full funding" has been given, vacancies in that bulge class will receive some funding for the summer term. Funding for vacancies will continue until the class reaches the end of year 2, provided that it appears, at the end of May in each year, that the school will still need the additional class from September in order to comply with the infant class size regulations, and only if the bulge class actually exists in the following year. Where bulge classes were initially admitted at key stage 2, they will attract vacancy funding where they are needed in order to maintain average class sizes of 34 or fewer in the year group with the bulge class. This funding will continue up to year 6 provided that it appears, at the end of May each year, that the school will still require the additional class from the following September in order for class sizes not to exceed 34, and if the bulge class actually exists in September.

Funding for vacancies is at 90% of basic entitlement rate (less "de-delegation" and central services levy) unless the class was agreed before January 2019, in which case it is at 100% (infant) or 95% (junior).

Where a school is subject to a permanent increase in PAN, the first three consecutive larger intakes will attract vacancy funding (whether they are bulge classes or whether they are admitted after the PAN has been raised). Vacancy funding for an infant bulge class (or infant permanent expansion) in a primary school will cease at the end of year 2 and does not continue into junior years, apart from a very small number of exceptions agreed by Schools Forum for schools in particularly challenging circumstances (schools where the incidence of FSM is within the top 20% in Surrey).

Where a school has an SEN centre, the number of pupils in the centre will be ignored when calculating the number of vacancies if the pupils in the centre are normally admitted over and above the main PAN.

Schools extending age range will be funded at 100% (infant) or 95% (junior) of the net basic entitlement rate for vacancies in the first group to be admitted to the new key stage, for every year in which that group is in the new key stage, where the extension of age range was agreed prior to September 2019. Thus the first year group admitted to year 3 in an infant school adding junior year groups will receive vacancy funding when in years 3, 4, 5 and 6 while the first year R group admitted to a junior school adding infant year groups will be funded for vacancies when in years R, 1 and 2. For schools with PAN=15, vacancies will be calculated against 15 places rather than 30. For the avoidance of doubt, a wholly new primary school will receive vacancy funding for the first three groups admitted and only for the infant years (ie it is treated as a PAN expansion rather than an age expansion). Where a school extends age range starting after September 2019, vacancy funding will be at 90% of net basic entitlement only.

Where a school extends its age range, and as part of that process there is a reduction in PAN of less than 30, the school may be forced to run smaller classes temporarily. Additional vacancy funding may be made available in these circumstances.

Schools are expected to advise us if a funded bulge class ceases to exist. Funding for vacancies will normally be recovered in these circumstances.

A15 Former combined services funding for confederations and for school improvement

In 2018/19 the funding previously allocated directly to school confederations and partnerships, on behalf of primary schools, was delegated to individual primary schools. This funding forms part of schools' budget share but is funded outside the NFF. DfE is phasing this funding out. Additionally funding previously held centrally for additional school improvement work was delegated to schools. In 2023/24 £125,000 (net) has been included in the formula for these purposes, but it must be included in the calculation of minimum funding guarantee and minimum per pupil level, which in practice means that schools subject to either of these (or to the ceiling) receive no benefit from the additional £125,000.

The amount allocated to each school in lieu of confederation funding and additional school improvement (before and after minimum funding guarantee /ceiling) is shown in its budget notification. It is included in its total budget in table A of the budget notification and in the factors in section A1 above.

The basis of delegation in 2023/24 is as follows:

	Confederations and partnerships							
	per pupil	per Ever 6 FSM	per IDACI F	per IDACI E	per IDACI D	per IDACI C	per IDACI B	per IDACI A
£	1.2262	11.4814	0.9426	1.1399	1.7976	1.9510	2.0826	2.7183
	Additional school improvement, per pupil £1.0667							

A16 Funding adjustments for permanent exclusions, reintegrations and managed moves

Where a pupil is permanently excluded from a school, funding will be deducted from the budget share of the excluding school on a weekly basis, from the date of permanent exclusion to the end of the **financial** year (not academic). Funding adjustments for reintegrations and managed moves will be made on the same basis. Adjustments will be calculated on the per pupil funding for the excluded pupil taking into account the characteristics of that pupil. Adjustments will also be made in respect of deprivation pupil premium where pupils eligible for the premium are excluded/ reintegrated or are subject to managed moves. Note that the adjustments for pupil premium are made from the budget share, not from the pupil premium allocations. Adjustments in respect of pupil premium will also be made when a pupil leaves a school to be educated at LA expense other than in a maintained school or academy.

A17 Other background information

17.1 Rent and national non domestic (business) rates

Rents above 1% of budget share, and business rates, are included in schools' budgets at "actual" cost. The 1% threshold is a DfE requirement.

For 2023/24 the sum initially included in schools' budgets for business rates will be an estimate, but it will be amended during the year to match the final 2023/24 cost, except where the rates include accommodation used solely or mainly for community purposes or leased to a third party. Please note that any reductions in bills as a result of appeals against valuations are also deducted from the school's budget. Again these adjustments will be made during 2023/24. For background Surrey County Council will continue to pay business rates on behalf of your school in 2023/24 (except 100% bank account schools) and ESFA will not be taking on this role, as was suggested a year ago.

For the purposes of managing delegated budgets, this means that you should set aside the sum shown for rates, and then disregard any in-year variations, unless your school has accommodation which is wholly or mainly used for community purposes or leased to a third party, in which case that part of the rates will not be funded. The DfE asks that schools register buildings which are not used to deliver education to pupils as separate entries on the Valuation Office rating list, so that separate bills can be issued for those buildings.

100% bank account schools are reminded that refunds of overpaid rates should be credited against rates expenditure and are refundable to the authority if received locally.

It should be noted that the budget for rates provides for non domestic rates only. It does not cover, and is not intended to cover, the actual cost of council tax on residential accommodation, whether occupied or unoccupied. Schools will be expected to bear the cost of any council tax liabilities which cannot be recovered from the occupants, eg if the accommodation is vacant.

The authority does not fund the costs of equipment rental, or of property leases entered into independently by schools where the authority has not given prior approval and does not accept that it is essential accommodation. Where a rent includes an element of maintenance, which would be funded from the delegated budget for a Council owned property, the authority reserves the right to make a deduction from the budget for the maintenance element of the rent.

Schools are asked to note that funding for rent is no longer included within the calculation of minimum funding guarantee and ceiling.

17.2 Copyright licensing and other licences

In 2023/24 the council will fund the following copyright related licences centrally for all schools:

- Copyright Licensing Agency;
- Music Publishing Association (printed music copying);
- Educational Recording Agency;

- Newspaper Licensing Agency,
- Motion Picture Licensing Company;
- Public Video Screening Licence (Filmbank distributors);
- Phonographic performance licence;
- Performing Rights Society licence;
- Christian Copyright Licensing International;
- Mechanical Copyright Protection Society.

All of these licences are now managed centrally by the DfE and deducted centrally from the authority's Dedicated Schools Grant. In all cases this is subject to the individual publisher being included in the licence. These arrangements are the same as in 2022/23. Further information is available at. https://www.gov.uk/guidance/copyright-licences-information-for-schools

17.3 Charges for free and paid school meals

Schools buying back a school meals service from Twelve Fifteen should still expect to be charged a rate per meal for the provision of free school meals, based on the actual number of meals provided during the year, including the provision of universal infant free school meals.

Funding for universal infant free school meals is provided by a separate grant based on takeup on October and January census dates. Funding for other free school meals is included within the deprivation factor in the delegated budget. Therefore schools need to remember that they now bear the risk of changes in demand for free school meals. If your supplier is Twelve Fifteen, you will be advised separately by them about charges for free meals. They will also charge a flat rate and a rate per pupil for the paid meals service, including sums in lieu of the former School Lunch Grant.

Please note that the criteria for eligibility for free school meals changed from 1 April 2018 as the government phases in Universal Credit. Protected eligibility for free school meals now continues until March 2025, where pupils were eligible on 1 April 2018 or became eligible after that date.