Finance Manual
Section A
Final Budget Preparation
Annexe A – Preparation notes and guidance
February 2024

SURREY
COUNTY COUNCIL

Contents

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2. Final Budget Plan Projections 2024/25

1. Final Budget Plan 2024/25 – Essential Information & FAQs

Accessibility

The final 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 this document, the Final 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.

1.0 What budgeting tools/information will I need?

At final budget stage you will need the following:

- The final budget plan template and guidance notes – see 1.1. It is important that the assumptions in the guidance notes are used.
- Verification and forecasting tool – see 1.1.
- Most recent October school census available in school (and for future years any changes to pupil numbers e.g., reducing PAN, adding or losing bulge classes, growing schools.
- Staffing structure for 2024/25 and subsequent two years
- Salary budgeting tool

In addition, the following may be useful.

- School Meals Budget Estimator (**infant schools only**) - a version is available on the Strictly Education website to those schools with a service level agreement.
- Maternity Cost Estimator (if required) - a version is available on the Strictly Education website to those schools with a service level agreement and that belong to Surrey's Staff Cover Scheme.

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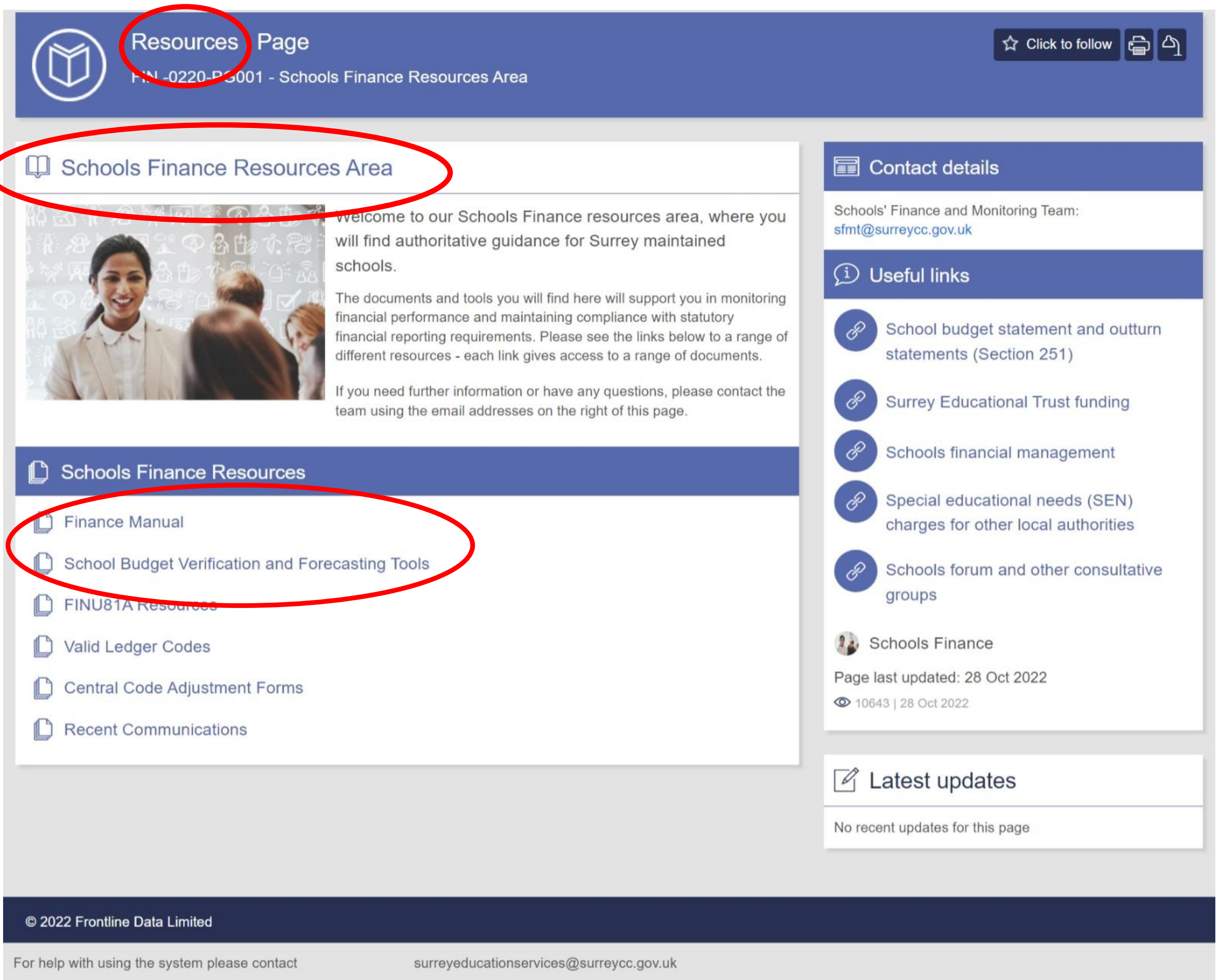
1.1 Where do I get a copy of the final budget plan?

The final budget plan 2024/25 is in section A of the finance manual which can be found on the Surrey Education Services Hub. Please use this latest version of the final budget plan; previous versions will not be accepted by the software that reads 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.

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

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



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1.2 Recent changes to the final budget plan

To comply with financial transparency requirements, from April 2021 schools have been required to provide a three-year budget plan.

An additional tab, requesting information about assumptions made and potential savings identified, is now included.

On the schools and other info sheet there is a requirement to complete the number of classes, number of EHCPs and school’s PAN (mainstream primary schools only), please complete the actual number of classes that the school has.

Please ensure that the final 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 final budget plan.

Although inflation has come down from the highs of last year, there remains some economic uncertainty; this may impact on pay increases, and the price of contracts and services. Where possible, it is recommended that schools keep a contingency to reduce financial risk.

Schools must make every effort to balance their budget within the resources they have available to them, as any deficit will require repayment; the local authority has no power to write off the deficit balance of any school.

The budget plan must show a surplus at the end of the first year (March 2025) and schools should aim to produce a plan that is balanced for the following two years.

Where schools need to achieve cost reductions to balance years 2 and 3 of the final budget plan, governors should be pro-active in taking necessary action now to reduce the impact on educational outcomes in the future.

Where schools are still identifying the actions they will take, this will be accepted as ‘work in progress’. Schools submitting a plan showing a deficit in years two and/or three may be subject to closer scrutiny and asked to submit additional information to assure the LA that they are taking appropriate and timely action to avoid future 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 governor contacts. 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 to include projections for the current academic year plus two future years. Please ensure you identify the FTE and not headcount. If a member of staff is on long term absence including maternity, requiring temporary cover, please include the FTE just once.
- Number on roll to include projections for the current academic year plus two future years.
- Number of classes, EHCPS and PAN (primary mainstream only)

Budget Plan Year 1 Tab:
All schools are expected to provide reasonable estimates of all elements of planned income and expenditure within their final budget plan for 2024/25. Schools should incorporate the recommendations and assumptions on price increases detailed below.

Budget Plan Year 2 Tab:
To meet the requirements of the SFVS, this tab should be used to reflect budget projections for 2025/26

Schools should assume no further inflationary rises in costs and base their income and expenditure assumptions on the price levels and funding rates used for 2024/25. However, they should take account of 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:
To meet the requirements of the SFVS, this tab should be used to reflect budget projections for 2026/27.

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

3 Year Summary Tab:
Information input in 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.

School's Assumptions:
Please provide information on your assumptions. Given the pressure on schools' budgets, it is particularly important to understand the cost reductions made, and the basis of the calculations.

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 the specified areas will be lost).

Tranche Calculation Tab:
This is an automated tab used to 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 that this 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; 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 deadline and where do I send the final budget plan?

Schools should submit their final budget plan to the following email address:

Schools.budgets@surreycc.gov.uk to arrive no later than 1st May 2024.
Final budget plans must be sent electronically in Excel format.

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1.6 What sign off does the budget plan require?

Whilst approval of the school's 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. Schools must retain evidence of the budget plan being approved and ensure that the signed copy is available in school.

Governor meetings should be scheduled to ensure timing of meetings does not risk the school missing the submission deadline.

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

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

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

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

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

Family Centres – Schools hosting a family centre should complete the family centre template in addition to the school's budget plan.

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1.8 What sections require completion?

The final budget plan template 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. This includes the funded early years' entitlement provided to children who are on roll at the school and 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. Please note that all income and expenditure relating to family centres should be included in the separate family centre budget plan.

Capital for maintained schools' assets that, for budget purposes, exceed £2000 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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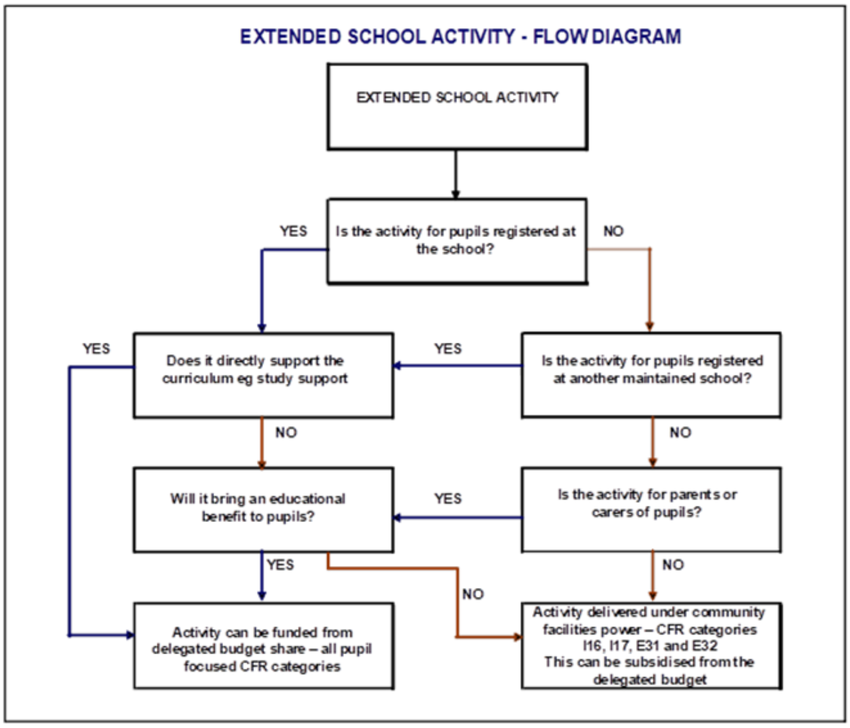
1.11 How do schools know whether an activity is pupil or community focused?

To decide whether a particular extended activity is pupil or community focused schools may find it helpful to consider this table, noting how the activity should be treated for CFR purposes. In general breakfast clubs and after school clubs used as childcare should be community focused, unless of direct educational benefit.



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

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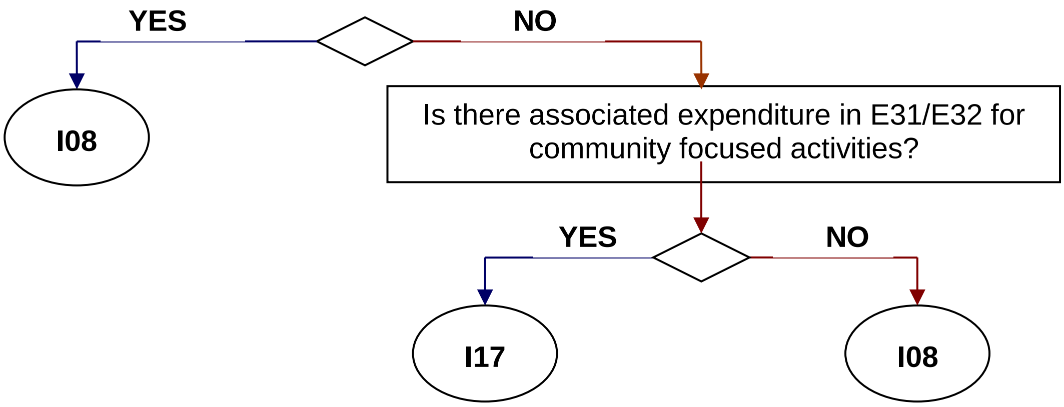
1.12 How do schools differentiate between lettings and extended provision?

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 I08a 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.

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



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2. Final Budget Plan Projections 2024/25

2.1 Budget plan projections

The Surrey Scheme for Financing Schools requires that governors submit their final estimates of spending for 2024/25 no later than 1st May 2024. Governors' meetings should be arranged to ensure adequate time for budget plan approval and meet this statutory requirement.

Schools should contain their expenditure within their estimated budget, including the cost of incremental drift, for all three years.

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 without the consent of the local authority, so the final budget plan for 2024/25 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 be expected to comply with the requirements of their existing recovery plan. Any closing deficit on the 2024/25 plan must not exceed the approved amount.

Should a school be unable to balance their 2024/25 budget, they should inform the Schools Finance and Monitoring Team (sfmt@surreycc.gov.uk) immediately to discuss the situation. It is recommended that schools seek advice and support from an education finance provider to ensure they remain conversant with all aspects of the budget planning and monitoring process.

It is important that schools' governing bodies actively seek efficiency and value for money in all areas, optimising the use of their resources and thereby maximising 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., using 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 against the relevant CFR heading and line number.

Detailed guidance is found in the DfE CFR Framework document.

CFR Framework 2023/24
https://www.gov.uk/guidance/consistent-financial-reporting-framework-2023-to-2024

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2.4 Pupil focused revenue budget information and assumptions

2.4.1 Brought forward balance from 2023/24 (budget plan lines 1 – 3)

A surplus should be entered as a positive figure, whilst 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 a surplus 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 85 – Community Focused B/fwd.

2.4.2 Pupil focused revenue funding and income assumptions

To verify 2024/25 funding and estimate funding for 2025/26 and beyond, schools should use the appropriate verification and forecasting tool published by the Schools Funding Team.

The verification tool can be found on Surrey Education Services Hub - Resources>Schools Finance Resources Area>Schools Budget Verification and Forecasting Tools.

It is important that pupil data and characteristics are updated, where known, to give accurate estimates of funding in years 2 and 3. Please use the budget summary tab from the verification and forecasting tool to populate the relevant lines within the budget plan with your forecast of funding.

Whilst the economic situation is showing signs of improvement, there are still financial pressures in the economy which will impact on schools, governing bodies should consider what level of reserves it would be prudent to hold and whether any non-essential expenditure planned for 2024/25 and future years should be deferred. Any schools experiencing difficulties should contact the Schools Finance and Monitoring Team via schoolsfinanceandmonitoringteam@surreycc.gov.uk

Please note the following:

I01 – Funds delegated by the LA.
(budget plan lines 4-21, special schools line 4-11)

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)

Mainstream schools additional grant (MSAG)
Please note that this has been assimilated into the mainstream national funding formula for 2024/25.

Teachers pay additional grant (TPAG)
(budget plan line 17, special schools line 8)
This grant will continue to be paid separately for 2024/25.

- Mainstream schools

TPAG will fund primary and secondary maintained schools for the 5- to 16-year-old age range.

The funding rates will be 12/7 x the rates for 2023/24 because the grant will apply for the whole year in 2024/25. To estimate the funding for 2024/25 schools will need to apply these rates to October

2023 pupil data. The verification tool will allow you to do this. The DfE has advised that this grant will be assimilated into mainstream core funding in 2025/26 and the verification tool makes the same assumption. Therefore, mainstream schools should NOT add a separate TPAG allocation in 2025/26 or later years.

- Special schools and alternative provisions (AP)

TPAG will fund maintained special schools and pupil referral units (PRU's) maintained by the local authority.

The local authority will distribute TPAG to maintained special schools, special academies, PRUs and alternative provision academies. It appears that the LA will have some discretion as to how this is done, subject to consulting all providers on the proposed basis, as in 2023/24. In September 2023-March 2024 the LA distributed the grant based on place numbers, but the number of places funded by the LA was greater than the number funded by DfE (who used a historic figure) and thus the funding rate per place for Surrey special schools and PRUs was lower than the DFE funding rate. It is likely that a similar situation will arise in 2024/25, i.e. the rate per place is likely to be roughly 12/7 of the 2023/24 rate (because it covers the whole year rather than just seven months) but it may be slightly lower.

For budgeting purposes special schools and PRUs (only) should include for future years We expect funding for special schools and PRUs to continue in some way, but we do not yet know whether it will remain as a separate funding stream.

- Maintained Nursery Schools and Maintained Nursery Classes

From April 2024 the TPAG funding will be included in the Teachers Pay and Teachers Pension Supplement and not continue as a separate grant for early years. This will be paid to Maintained Nursery Schools and Maintained Nursery Classes with a qualified teacher.

Teachers Pensions employer contribution grant 24 (TPECG 24)
(budget plan line 7/special schools line 7)

Following the announcement of the 5% increase to employer costs for Teachers' Superannuation, the Government announced that there would be additional funding for the increase to the employer's contribution rate for 2024/25.

The Department of Education have indicated that the grant will be calculated on a formula basis and will not necessarily match costs incurred at an individual school level.

The DfE released details of the funding on 11th March and advise that the grant will be for the financial year 2024/25. From April 2025 the funding for the increase in pension costs will be paid through the schools National Funding Formula grant, however for budget plan purposes for 2025/26 and 2026/27 we request that schools continue to include the estimate under I01 as per line number detailed above.

- Mainstream schools

The TPECG 24 will fund mainstream school providers for the 5- to 16-year-old age range and the funding rates are based on the factors used in the teachers' pay additional grant:

  - A basic per -pupil rate with different rates for primary, key stage 3 and key stage 4
  - Lump sum paid to all schools, regardless of pupil numbers
  - A per pupil rate for pupil recorded as being eligible for free school meals at any point within the last 6 years (FSM6)

An area cost adjustment (ACA) will be applied to the rates below due to the geographical variation in labour costs and they are available in the area cost adjustment technical note. The funding rates below are multiplied by the relevant ACA (1.0584 for Surrey mainstream schools) to calculate the school level allocations.

Base funding rates for 2024/25:

  - A basis per-pupil rate of £75 for primary pupils, including reception pupils
  - A basic per pupil rate of £106 for key stage 3 pupils
  - A basic per pupil rate of £119 for key stage 4 pupils
  - A lump sum of £2,800
  - An FSM6 per-pupil rate of £65 per eligible primary pupil
  - An FSM6 per pupil rate of £100 per eligible secondary pupil

The DfE have created a ready reckoner for mainstream schools to estimate their TPECG24 allocation for 2024/25.

- Special schools and alternative provisions (AP)

The DFE is allocating teacher pension employer contribution grant to Surrey for maintained special schools and pupil referral units (and also for special schools and AP academies) at £595 per place plus area cost adjustment (which gives a total of £640.79 per place for Surrey). The LA has some discretion as to how to distribute this to schools, for example the LA may take into account different teacher to place ratios in different categories of schools. Previously when DFE has allocated grants based on places, the DfE has funded fewer places than the LA and therefore schools should assume that even if the funding is distributed as a standard rate per place (and it may not be) the rate per place received by schools will be lower than the DfE rate (perhaps assume 5% less)

- Maintained Nursery Schools and Maintained Nursery Classes

As from April 2024 the funding will be included in the Teachers Pay and Teachers Pension Supplement. This is paid to Maintained Nursery Schools and Maintained Nursery Classes with a qualified teacher.

Teachers' pension employer contribution grant (TPESCG) – Sixth forms (budget plan line 18 mainstream schools)
The DfE has confirmed that the teachers' pension employer contribution grant will be funded for the full academic year 2024 to 2025.

For budgeting purposes please include for future years but note that this cannot be guaranteed.

I02 – Funding for sixth form students (budget plan lines 22-23 mainstream/ lines 12-13 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 2024 to 2025 - GOV.UK (www.gov.uk)]

Special schools – include post-16 place funding.
I03 – High needs top-up funding (budget plan lines 24-27 mainstream / lines 14-18 special schools)
Mainstream schools and mainstream schools with SEN Centres
Mainstream schools are in an interim period of transitioning to the new banding system and have some pupils paid by band and some using the old IPSB points system.

In order to forecast funding for 2024/25, where pupils are already paid by band, unless changes to that band have been agreed the current band should be used to estimate funding for 2024/25. Where pupils are still paid on IPSB points, for budget purposes, and until more information is available about which bands pupils will move to, 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, adjustments should be made for children leaving at the end of a key stage. The IPSB estimator (Annexe B) allows mainstream schools to estimate funding for pupils with EHCPs attending the school.

Special Schools
Since September 2022 Special schools have been moving to the new banding system and should use the relevant verification and forecasting tool to make an estimate of top-up funding based on expected occupancy throughout the year. This will shortly be updated with funding rates for 2024/25.

I04 – Funding for minority ethnic pupils (budget plan lines 28-29 mainstream / lines 19-20 special schools)
Schools should include any publicly funded source intended to promote access and opportunity for minority ethnic pupils.

I05 – Pupil premium (budget plan lines 30–34 mainstream / lines 21–25 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 2024/25 based on numbers in October 2023 census.

Pupils who are recorded as LAC/ PLAC and FSM Ever 6 will attract the LAC/ PLAC per pupil amount only. Eligible service children will attract the SPP rate in addition to any other PP grant eligibility rate.

This table shows how the pupil premium grant is allocated to schools and local authorities in financial year 2024-2025, based on per pupil rates.

Pupil eligibility criteria	Amount of funding for each primary-aged pupil per year (Year Rec-6)	Amount of funding for each secondary-aged pupil per year (Year 7-11)	Funding is paid to
Pupils who are eligible for free school meals, or have been eligible in the past 6 years	£1,480	£1,050	School
Pupils previously looked after by a local authority or other state care	£2,570	£2,570	School
Children who are looked after by the local authority	£2,570	£2,570	Local Authority

The Government has permanently extended free school meal (FSM) eligibility to include children in all households with NRPF (no recourse to public funds). These pupils should now be recorded as FSM eligible in the school census and their pupil premium eligibility will follow on from that automatically.

Service children	**SPP per pupil Rate**
• Eligible service children in year groups reception to year 11	£340

Pupil premium funding is allocated by the Virtual School per child looked after by SCC, 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.
The allocation to Surrey is £2,570 per looked after child but allocations to schools for individual pupils may vary.

I06 – Other government grants (budget plan lines 35 & 36 / lines 26 & 27 special schools)
Please include any government grants that you expect to receive through the LA which are not specified in other sections of the guidance.

Include income from any government body which is received directly by the school and not via the local authority.

I07 – Other grants and payments (budget plan line 37 / line 28 special schools)
Include any lottery grants. Receipts from other schools, income from recycling refunds and milk subsidy and FEET Free School Meal (FSM) Vouchers 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.

I08a – Income from letting premises (budget plan line 38 / line 29 special schools)
Include amounts from letting the school premises.

I08b – Outreach funding (budget plan line 39 / line 30 special schools)
Special schools which are funded by the LA 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 40 & 41 / lines 31 & 32 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 base rate is 5.25 % (February 2024).

I09 – Income from catering (budget plan line 42/ line 33 special 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 43 / line 34 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 2024/25 and not previously accounted for in 2023/24.

I11 – Receipts from other insurance claims (budget plan line 44 / line 35 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 2023/24.

I12 – Income from contributions to visits (budget plan line 45 / line 36 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 46 / line 37 special schools)
Include any income from private sources under the control of the governing body available for the purposes of the school. This will include any income from the school fund being used to provide educational benefits to pupils. The costs will need to be included within the expenditure categories.

I15 – Pupil focused extended schools grant (budget plan line 47 / line 38 special schools)
Include any other funding streams (ESFA – Education and Skills Funding Agency etc) that are given explicitly for pupil focused extended school activities.

I18 – Additional grants for schools (budget plan line 48-52 / lines 39-43 special schools)

I18d - Primary PE grant (budget plan line 48/ line 39 special schools)
In July 2023, the DfE confirmed that the primary PE grant would continue for the 2024/25 academic year.

Schools are reminded that when including the funding in the final budget, that the corresponding expenditure should also be included.

Expected funding should be estimated on the 2023/24 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.

In Summer 2024 the DFE are introducing a digital tool to capture how schools have used their PE and Sports Premium Grant and the impact it has on achieving the aims and objectives of the funding. Schools should look for more information from the DfE.

I18d – Universal infant free school meals (budget plan line 49 / line 40 special schools)
This grant will include the final allocation for 2023/24 academic year. Its future beyond the summer term is unknown. Please include a provisional allocation for 2024/25, assuming the same funding rates as 2023/24

- Each meal taken by an eligible pupil attracts £2.53. An allocation assumes that pupils will take 190 school meals over an academic year, providing £480.70 per eligible pupil.

I18c – Recovery premium grant (budget plan line 50 / line 41 special schools)
This is a time limited grant with the final instalment for the academic year 2023/24 due in the summer term 2024 and no further funding should be assumed. Schools must spend it before the end of the summer term 2024.

I18c – School led tutoring grant (budget plan line 51 / line 42 special schools)
The academic year 2023/24 is the final year of the National Tutoring Programme. The final instalment of this grant is due in the summer term 2024 and no further funding should be assumed.

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

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2.4.3 Pupil focused revenue expenditure information and assumptions

Although inflation has come down from the highs of last year, there remains some economic uncertainty; this may impact on pay increases, and the price of contracts and services.

Where possible, it is recommended that schools keep a contingency to reduce financial risk.

Any inflationary increases in local contracts and supplies may be known at school level, and some services may have a greater increase applied to them than others. Where local information is unavailable, it is recommended that schools apply Surrey's corporate rate of inflation for **non-salary expenditure**, used for departmental budgeting purposes; it is recommended to include a **5**% increase in **2024/25.**

Energy prices– please see **E16 – Energy** below for further details.

The increase to **teachers' pay** will not be known until later in 2024/25. Until further information is available, schools should use Surrey's corporate rate of inflation for **salary expenditure**; for budgeting purposes, it is recommended that schools apply a **5.0%** increase to **teachers' pay** from **September 2024**.

At this stage the Surrey Pay Settlement for April 2024 has been proposed and is currently with the unions for consultation. For budgeting purposes schools should use percentage increases outlined in Surrey's "offer" - see table and details in E03 CFR category.

E01 – Teaching staff (budget plan line 53/line 44 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's national insurance and superannuation are included**.**

At this stage in the year there is no indication of what the teacher's pay increase for September 2024 will be. Our recommendation would be that schools continue to use Surrey's corporate rate of inflation for salary expenditure; for budgeting purposes, **it is recommended that schools apply a 5.0% increase to teachers' pay from September 2024.**

No further cost of living increases should be included for Years 2 and 3, except the full year impact of the September 2024 increase to teachers' pay but ensure that performance related pay progression is included for all three years as appropriate.

Following the valuation of the Teachers' Pension Scheme, the DfE have announced that the employers pension contribution rate will increase by 5% to 28.68% from the 1st April 2024 and that there will be additional funding for the increase to the employer's contribution rate for 2024/25.

The Department of Education have indicated that the grant will be calculated on a formula basis and will not necessarily match costs incurred at an individual school level.

The details of the funding have not yet been made available. In the interim we are aware that schools will be including the increased costs in their budget plan. Whilst we wait for the details of the funding, we suggest that schools include an estimated figure for the funding by using their salary calculator tool to identify the costs without the 5% increase in employer's superannuation costs and then calculate the costs again with the 5% increase employer's superannuation costs and use the difference between the two figures as the estimated funding figure until further information is available. Please note that this has not been included in the final budget verification and forecasting tool for 2024/25 to 2027/28. We will issue further guidance when we have more information.

E02 – Supply teaching staff (budget plan line 54/ line 45 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 55/ line 47 special schools)

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

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

The Surrey Pay settlement for April 2024 has been proposed and is currently with the unions for consultation. For budgeting purposes schools should use the percentage increases outlined in Surrey's "offer" – see table below:
A percentage increase for Surrey Pay grades PS1/2 to PS10 and a capped cash amount from PS11 and above as follows:

Grade	Increase
PS1/2	9%
PS3	6%
PS4	6%
PS5 & PS6	4.5%
PS7 -10 inc	4%
PS11 – PS18	£2000

The lowest hourly rate of pay will be £12.04, higher than both the Real Living Wage and Statutory National Living Wage.

Please also note that the lower pay point on PS3 is proposed to be deleted, so that PS3 will be a spot salary.
Ensure that incremental pay progression is included from April 2024 where appropriate.

The employer's pension contribution rate for Surrey schools is **23%** following the last triennial valuation effective April 2023.

E04 – Premises staff (budget plan line 56/line 48 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.

See E03 for details of the proposed Surrey Pay award.

Ensure that incremental pay progression is included from April 2024 where appropriate.

The employer's pension contribution rate for Surrey schools is **23%** following the last triennial valuation effective from April 2023.

E05 – Administrative and clerical staff (budget plan line 57/line 49 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.

See E03 for details of the proposed Surrey Pay award.

Ensure that incremental pay progression is included from April 2024 where appropriate.

The employer's pension contribution rate for Surrey schools is **23%** following the last triennial valuation effective from April 2023.

E06 – Catering staff (budget plan line 58/line 50 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.

See E03 for details of the proposed Surrey Pay award.

Ensure that incremental pay progression is included from April 2024 where appropriate.

The employer's pension contribution rate for Surrey schools is **23%** following the last triennial valuation effective from April 2023.

E07 – Costs of other staff (budget plan line 59/line 51 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.

See E03 for details of the proposed Surrey Pay award.

Ensure that incremental pay progression is included from April 2024 where appropriate.

The employer's pension contribution rate for Surrey schools is **23%** following the last triennial valuation effective from April 2023.

E08 – Indirect employee expenses (budget plan line 60/line 52 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 in excess of £3m.

E09 – Development and training (budget plan line 61/line 53 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 62/line 54 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 will vary, dependent upon the option taken.

The Surrey Scheme contribution rates for 2024/25 are not currently known – for budgeting purposes, please anticipate a 5% increase on the 2023/24 rates.

For those schools that use an 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 63/line 55 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 2024/25 are currently not available – **for budgeting purposes, please anticipate a 5% increase on the 2023/24 rates.**

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

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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 **5%** (February 2024) for non-salary items. Given the current economic uncertainty it would be prudent for schools, where possible, to hold a level of contingency.

E12 – Building maintenance and improvement (budget plan line 64/line 56 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 65/line 57 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 66/line 58 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 67/line 59 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 68/line 60 special schools)
Include all costs relating to fuel and energy, including gas, electricity, solid fuel, and fuel oil.

Schools that buy into the Surrey County Council energy contract:
Whilst overall wholesale energy prices have fallen over the last year, there still remains some uncertainty and volatility in the energy markets. Purchasing of the 2024/25 volume is not yet fully complete, with CCS procuring the remaining annual volume in a phased / risk based approach between now and point of delivery.

SCC will receive the Feb 24 CCS purchasing update by the end of February. This will provide a greater level of confidence in the forecasted energy costs for the year ahead and there will be communications to all schools purchasing their energy through the CCS framework.

Schools not signed up to the Surrey County Council energy contract will need to check with their provider on any energy price increases and should be fully aware of the terms of their contract.

E17 – Rates (budget plan line 69/line 61 special schools)
You will find your estimated rates figure in your 2024/25 funding letter. Your rates expenditure should equal your rates funding except for those schools where community focused activities or extended services have exclusive use of the buildings and therefore are not covered by education funding.

E18 – Other occupation costs (budget plan line 70/line 62 special schools)
Include expenditure relating to rents, trade refuse, hygiene services and any other premises costs not identified elsewhere within your budget plan. You will find your figure for any rents funded by the LA detailed in the school's funding letter and should include these as costs within the budget.

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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 **5.00%** (February 2024). Given the current economic uncertainty it would be prudent for schools, where possible, to hold a level of contingency.

E19 – Learning resources (not ICT equipment) (budget plan line 71/line 63 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.

E20 – ICT learning resources (budget plan line 72/line 64 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 73/line 65 special schools)
Include all expenditure relating to examination fees.

E22 – Administrative supplies (budget plan line 74/line 66 special schools)
Include all expenditure on administrative supplies and services including telephones, bank charges and ICT resources for administrative purposes, etc.

Please note schools should include the cost of Management Information Systems (MIS) and Finance Systems as they are now a school based cost as they are no longer de-delegated.

E23 – Other insurance premiums (budget plan line 75/line 67 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. Where schools buy into the DfE's risk protection arrangements please include the cost here.

E24 – Special facilities (budget plan line 76/line 68 special schools)
Include expenditure relating to swimming pools, sports centres, and payments made to other schools, networks, or confederations.

E25 – Catering supplies (budget plan line 77/line 69 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 Commercial Services (Twelve 15) – include the framework admin' fee.

The rates for 2024/25 are currently unknown and it is recommended the 2023/24 rates are increased by 5.00%. Schools should be aware of the possibility of increasing costs if contracts are due for renewal.

E26 – Agency supply teaching (budget plan line 78/line 70 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 79/line 71 special schools)
Include expenditure relating to professional services, consultancy and advice purchased from the LA or third party in support of the curriculum. Agency curriculum support staff should also be included here.

E28 – Bought in professional services – other (budget plan line 80/line 72 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. This will include any agency admin' staff, or bursar cover.

E30 – Direct revenue financing (revenue contributions to capital) (budget plan line 81/line 73 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 for works which are governor responsibility 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 and consider their advice as to the merits of the proposed expenditure.

Where the premises are owned by the Local Authority, or the school has voluntary controlled status, then the Governing Body should seek the prior consent of the Local Authority for any works proposed to the premises to ensure that appropriate constructional and health and safety standards are complied with. Schools should contact the Property Services Helpdesk or email myhelpdeskproperty@surreycc.gov.uk

Schools should include a suitable explanation within their budget plan.

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2.4.4 Pupil focused revenue balances at end of 2024/25

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

B01 – Committed Revenue balances (budget plan line 82/line 74 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.

B02 – Uncommitted Revenue balances (budget plan line 83/line 75 special schools)
This line will calculate automatically based on funding, income and expenditure entered. If the calculated amount is negative, you are forecasting a deficit and expenditure plans should be revised downwards to eliminate it.

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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.

Governing bodies should annually review the financial viability of their community focused activities to ensure a long-term strategy of sustainability.

Given the current economic uncertainty it would be prudent for schools, where possible, to hold a level of contingency.

2.5.1 Community focused revenue balances brought forward from 2023/24

OB02 – Community focused balances (Budget plan lines 84-85/lines 76-77 special schools)
Estimate any balances relating to community focused extended school activities that are anticipated in the 2023/24 closing revenue balance.

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 2024/25

I16 – Community focused funding and/or grants – Delegated funds (budget plan line 86/line 78 special schools)
Please include any funding given directly for community focused activities.

I16 – Community focused funding and/or grants – Other Funding (budget plan lines 87 – 88/lines 79-80 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 89-90/lines 81-82 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 91 – 94/lines 83-86 special schools)
Income should only be recorded here where there is associated community focused expenditure in either E31 or E32; otherwise, it should be treated as lettings income I08 line 34.

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2.5.3 Community focused revenue expenditure 2024/25

E31 – Community focused staff – Operational and support staff (budget plan lines 95–96/lines 87-88)
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.

See E03 for details of the proposed Surrey Pay award.

Ensure that incremental pay progression is included from April 2024 where appropriate.

The Surrey Pay employer superannuation is currently **23%** following the triennial valuation in March 2023.

E32 – Community focused costs – Indirect expenses, training etc. (budget plan lines 97–101/lines 89-93 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 **5%** inflation for non-salary items.

E32 – Community focused costs – buildings, grounds, cleaning etc (budget plan lines 102–108/lines 94-100 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 **5%** inflation for non-salary items unless otherwise known.

E32 – Community focused costs – Consumables, equipment etc. (budget plan lines 109–117/lines 101-109 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 **5%** inflation for non-salary items unless otherwise known.

B06 – Community Focused balances (budget plan line 118/line 110 special schools)
This line will calculate automatically based on funding, income and expenditure entered. If the calculated amount is negative, you are forecasting a deficit and expenditure plans should be revised downwards to eliminate it.

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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 2023/24

B03a – Devolved Formula Capital balance (budget plan line 119/line111 special schools)
Include an estimate of any unspent funding for Devolved Formula Capital (DFC), where the allocation has been received by the school. This will include any remaining balance from the additional capital funding provided in 20223/23 in relation to energy efficiency.

B03b – Other capital balances (budget plan line 120/line 112 special schools)
Enter an estimate of all other capital balances (if appropriate), which have not already been accounted for.

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Capital funding and income 2024/25

CI01 – Devolved Formula Capital (budget plan line 121/line 113 special schools)
Estimates of Devolved Formula Capital for 2024/25 should be based on the 2023/24 methodology until information and rates 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 122/line 114 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.

C103 – Private income (budget plan line 123/line 115 special schools)
This box should reflect private or voluntary income raised for capital purposes.

C104 – Direct revenue financing (budget plan line 124/line116 special schools)
The direct revenue financing amount will pull through automatically from E30 – Direct revenue financing (revenue contributions to capital).

2.6.2 Capital expenditure information and assumptions 2024/25

Please refer to the Finance Manual Section Y – Capital for further details.

CE01 – Acquisition of land and buildings (budget plan line 125/line 117 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 126/line 118 special schools)
Please enter any costs associated with new construction, renovations, or extensions, including fees.

CE03 – Vehicles, plant, equipment, and machinery (budget plan line 127/line 119 special schools)
Please include any capitalised expenditure on the acquisition, renewal, or replacement of vehicles.

CE04 – Information and communications technology (budget plan line 128/line 120 special schools)
This box should reflect the costs of computer hardware and software where these are to be capitalised and funded from capital grant.

2.6.3 Capital balances at end of 2024/25

B03 – Devolved Formula Capital balance (budget plan line 129/line 121 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 130/line 122 special schools)
This will reflect any other capital balances within the school accounts, not already accounted for.

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