

Finance Manual

Section A

Draft Budget Preparation

Annexe A – Preparation notes and guidance

October 2022

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1. Draft Budget Plan 2023/24 – Essential Information & FAQs

Accessibility

The draft budget plan file and verification and forecasting tool may not be suitable for users of assistive technology.

If you use assistive technology (such as a screen reader) and need a version of this document, the draft budget plan and/or the verification and forecasting tool in a more accessible format, please email schools.budgets@surreycc.gov.uk. Please tell us what format you need. It will help us if you say what assistive technology you use.

1.0 What budgeting tools/information will I need?

At draft budget stage you will need the following:

- The draft 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 2023/24 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 4S website to those schools with a service level agreement
- Maternity Cost Estimator (if required) - a version is available on the 4S 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 draft budget plan?

The draft budget plan 2023/24 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 draft 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 draft budget plan.

The screenshot shows a web page titled 'Resources Page' with the URL 'FIN-0220-PS001 - Schools Finance Resources Area'. The page features a blue header with a book icon and a 'Click to follow' button. The main content area is divided into a left sidebar and a main body. The sidebar, titled 'Schools Finance Resources', lists several links: 'Finance Manual', 'School Budget Verification and Forecasting Tools', 'FINU81A Resources', 'Valid Ledger Codes', 'Central Code Adjustment Forms', and 'Recent Communications'. The main body contains a welcome message, a list of useful links, contact details for the Schools' Finance and Monitoring Team, and a section for latest updates. Red circles highlight the 'Resources Page' header, the 'Schools Finance Resources Area' title, and the 'School Budget Verification and Forecasting Tools' link in the sidebar.

Resources Page
FIN-0220-PS001 - Schools Finance Resources Area

Schools Finance Resources Area

Welcome to our Schools Finance resources area, where you will find authoritative guidance for Surrey maintained schools.

The documents and tools you will find here will support you in monitoring financial performance and maintaining compliance with statutory financial reporting requirements. Please see the links below to a range of different resources - each link gives access to a range of documents.

If you need further information or have any questions, please contact the team using the email addresses on the right of this page.

Schools Finance Resources

- Finance Manual
- School Budget Verification and Forecasting Tools
- FINU81A Resources
- Valid Ledger Codes
- Central Code Adjustment Forms
- Recent Communications

Contact details
Schools' Finance and Monitoring Team:
sfmt@surreycc.gov.uk

Useful links

- School budget statement and outturn statements (Section 251)
- Surrey Educational Trust funding
- Schools financial management
- Special educational needs (SEN) charges for other local authorities
- Schools forum and other consultative groups

Schools Finance
Page last updated: 28 Oct 2022
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Latest updates
No recent updates for this page

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1.2 Recent changes to the draft 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 (mainstream primary schools only).

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

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1.3 Information about completing the draft budget plan

It is recommended that schools keep a contingency to cover further potential increases in costs given the volatility of inflation, the effect of increases in energy prices, the present target to increase the national minimum wage on contract costs, and changes to teachers' pay.

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.

Schools should produce a plan that balances in all three years. However, where schools need to make cost savings in any year and are still identifying the actions they will need to take, this will be accepted as 'work in progress.' Schools submitting a draft budget plan showing a deficit in year 1 must complete the relevant section on the school's assumptions tab to assure the LA that they are taking appropriate and timely action to resolve the situation.

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

The draft budget plan consists of the following areas:

School and other info tab:

In the boxes provided schools are asked to provide:

- DfE No – last 4 digits
- Contact names, email, and telephone details – this includes a governor contact. This information will be used to create the budget approval letter (final budget plan) which will be emailed to your school
- Finance support provider
- FTE staffing 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 (primary mainstream only)

Current Year Outturn Tab:

Schools are asked to provide details of their current forecast of outturn for 2022/23 based on their latest financial monitoring report (October).

Budget Plan Year 1 Tab:

All schools are expected to provide reasonable estimates of all elements of planned income and expenditure within their draft budget plan for 2023/24. Schools should incorporate the recommendations and assumptions on price increases detailed below.

Special schools and PRUs should base their funding on existing published funding rates for 2022/23, as per the verification and forecasting tool.

Budget Plan Year 2 Tab:

To meet the requirements of the SFVS, this tab should be used to reflect budget projections for 2024/25.

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 2023/24. 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 2025/26.

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 the assumptions made. Given the anticipated pressure on schools' budgets, it is particularly important to understand the cost reductions required, 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 – this tab is not used at draft budget stage.

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1.4 In what format should the budget plan be submitted?

Please ensure that the budget plan is submitted using the correct Excel proforma; 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 draft budget plan?

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

Schools.budgets@surreycc.gov.uk to arrive no later than 30th November 2022.

Draft 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. Please 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 draft budget plan?

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

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

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

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

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

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1.8 What sections require completion?

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

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1.9 What is community focused activity?

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

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

Further information and support on extended services and early education is provided in section P of the finance manual.

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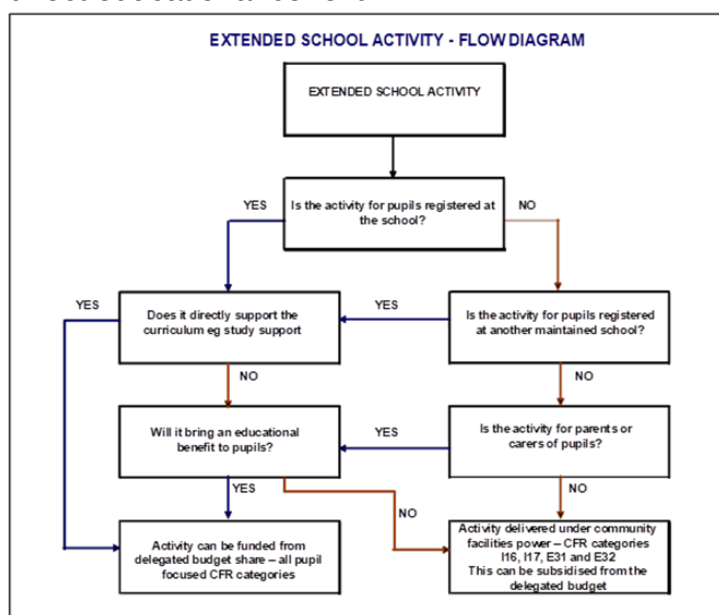
1.10 Why should schools differentiate between pupil and community focused activities?

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

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

To decide whether a particular extended activity is pupil or community focused schools may find it helpful to consider 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.



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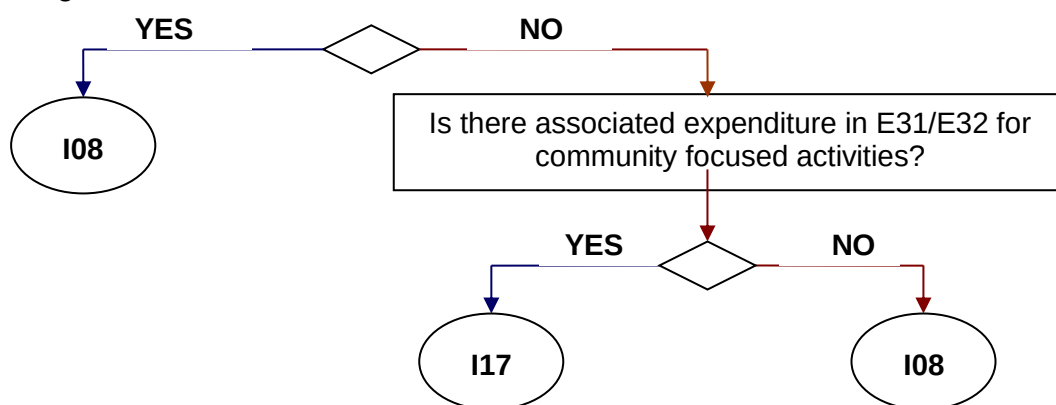
1.12 How do schools differentiate between lettings and extended provision?

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. Draft Budget Plan Projections 2023/24

2.1 Budget plan projections

The Surrey Scheme for Financing Schools requires that governors submit their draft estimates of spending for 2023/24 no later than 30 November 2022. Governors' meetings should be arranged to ensure adequate time for budget plan approval and meet this 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 2023/24 must balance (i.e., expenditure should not exceed income, funding and any reserves brought forward). Where a licensed deficit is requested, this will not be approved until a realistic recovery plan is submitted which can demonstrate repayment within a maximum of

three years. 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 2023/24 plan must not exceed the approved recovery plan.

Any school that cannot identify the actions necessary to balance their 2023/24 draft budget 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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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 2022-23

<https://www.gov.uk/guidance/consistent-financial-reporting-framework>

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2.3 Pupil focused revenue budget information and assumptions

2.3.1 Brought forward balance from 2022/23 (budget plan lines 1 – 3)

Brought forward balances should be consistent with the projected carry forwards advised under the **Current Year Outturn** tab. Surpluses should be entered as positive figures, whereas a deficit opening balance should be entered as a negative figure. It is good practice and an indication of strong financial management that the use of any balance at the end of the financial year is identified in the short, medium and long terms.

Where a school intends to transfer 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 80 – Community Focused B/fwd.

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2.3.2 Pupil focused revenue funding and income assumptions

To verify 2022/23 funding and estimate funding for 2023/24 and beyond, schools should use the appropriate verification and forecasting tool published by the Schools Funding Team. This can be found on the Surrey Education Services Hub. A new verification tool will be available at the beginning of November, based on the funding scenarios supported in the recent schools' consultation, but please note that final decisions will be taken by Cabinet and will not be known until

late November. Schools should use this forecast in their draft budget plan, Schools are also encouraged to consider scenarios involving a ceiling on per pupil gains (see guidance on verification tool).

Illustrations, for mainstream schools, of the effect of the proposed funding changes were distributed as part of the consultation process. Schools are reminded that these illustrations were prepared using October 2021 pupil data and consequently may not provide an accurate indication of funding for 2023/24 where there has been a change in pupil numbers/characteristics. When completing the verification and forecasting tool schools should use current pupil numbers and characteristics to ensure that the funding forecast is as accurate as possible.

Please use the budget summary tab from the verification and forecasting tool to populate the relevant lines within the draft budget plan with your forecast of funding.

Given the current national position, governing bodies should consider what level of reserves it would be prudent to hold and whether any non-essential expenditure planned for 2022/23 and future years should be deferred.

Please note the following:

I01 – Funds delegated by the LA

(budget plan lines 4-20, special schools line 4-9)

Central Services Levy (to fund statutory responsibilities) **and De-delegated funding** (agreed by Schools' Forum) – (budget plan line 5 mainstream schools) (enter as a negative figure)

Central Services levy is currently £51.23 per Yr. R to Yr. 11 pupil. Please ensure the calculation from the verification and forecasting tool is used which includes the proposed increase due to the loss of Government Grant for Statutory School Improvement. Final deductions for the Central Services Levy are yet to be agreed.

Schools supplementary grant

The DfE has confirmed that the supplementary grant funding allocated to mainstream schools in 2022/23 will be assimilated into the mainstream national funding formula, apart from funding for early years and post 16 which will remain separate in 2023/24.

Schools supplementary grant – Sixth forms and maintained nursery schools/classes only (budget plan line 16)

Nursery classes – Please base your calculation on the 2022/23 rate of £25.38 per pupil multiplied by an estimate of the number of children that will be in a nursery class for the January 2023 census until more information is available.

Sixth Form - Please base your calculation on the 2022/23 rate of £37.01 per pupil multiplied by the number of post-16 pupils on the October 2022 census until more information becomes available.

Teachers' pay and pension grants

In 2023/24 the government is proposing to assimilate the early years' share of teachers' pay and pension grants into the early years' national funding formula by increasing the hourly rate paid to local authorities for 3-4 year olds and by increasing the nursery school supplementary funding. In the recent consultation, Surrey proposed an increase in the hourly rate for maintained nursery classes to reflect the loss of the separate grant, and this is included in the forecasting tool.

Teachers' pension employer contribution grant (TPECG) – Sixth forms (budget plan line 17 mainstream schools)

For students in 6th form provision, the future of the Teachers' Pension Grant is currently unknown. Schools should estimate their allocation based on the number of sixth form students in October 2021 and used the same rate as 2022/23 of £201.48 per pupil until further information becomes available.

Maintained nursery school supplementary funding (formerly maintained nursery school transitional grant)

Please refer to the Schools Funding Consultation September 2022 for proposals in relation to the maintained nursery school supplementary funding. In 2023/24 the government is adding maintained nursery schools share of the former pay and pension grants to the maintained nursery school supplementary funding.

For draft budget purposes please use the 2022/23 figures for former supplementary funding and teacher pay and pension grant until further information is available.

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I02 – Funding for sixth form students (budget plan lines 21-22 mainstream/ lines 10-11 special schools)

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

[16 to 19 funding: information for 2022 to 2023 - GOV.UK \(www.gov.uk\)](#)

Special schools – include post-16 place funding.

I03 – High needs top-up funding (budget plan lines 23-26 mainstream / lines 12-16 special schools)

Mainstream schools with SEN centres and special schools should use the relevant verification and forecasting tool to make an estimate of top-up funding based on expected occupancy throughout the year.

Individual pupil support budget (IPSB) – Proposals for a new framework for mainstream EHCP funding will be consulted upon later this term. For draft budget purposes, schools should ensure that they include an estimate of their full-year points allocation (net of first £6k of expenditure) in the other input data tab of the verification and forecasting tool.

Special schools will need to estimate IPSB funding for any remaining ongoing allocations.

I04 – Funding for minority ethnic pupils (budget plan lines 27-28 mainstream / lines 17-18 special schools)

Schools should include any publicly funded source intended to promote access and opportunity for minority ethnic pupils.

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I05 – Pupil premium (budget plan lines 29–33 mainstream / lines 19–23 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 2023/24 based on numbers in October 2022 census.

For draft budget purposes, please use the 2022/23 pupil premium rates:

- £1,385 per year for each primary-aged pupil who is eligible for free school meals or has been eligible in the past 6 years.
- £985 per year for each secondary-aged pupil who is eligible for free school meals or has been eligible in the past 6 years.
- £2,410 per year for each pupil, primary and secondary aged, who has been adopted from care or has left care
- £320 for each pupil in year groups Reception to Year 11 who meets one of the following criteria:
 - One of their parents is serving in the regular armed forces
 - Ever 6 service child FTE
 - The pupil receives a pension under the Armed Forces Compensation Scheme (AFCS) and the War Pensions Scheme (WPS)

In addition, pupil premium funding is allocated by the Virtual School per child looked after by 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.

Please note that the basis of counting looked after children for the pupil premium differs from the basis used in the budget share. The allocation to Surrey is £2,410 per looked after child but allocations to schools for individual pupils may vary.

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I06 – Other government grants (budget plan lines 34 & 35 / lines 24 & 25 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 36 / line 26 special schools)

Include any lottery grants. Receipts from other schools, income from recycling refunds and milk subsidy should also be recorded here. If funds come directly from an organisation funded by the British government (other than the council) they should be included within I06 income.

I08a – Income from letting premises (budget plan line 37 / line 27 special schools)

Include amounts from letting the school premises.

I08b – Outreach funding (budget plan line 38 / line 28 special schools)

Special schools which are funded to provide outreach should include an estimate in the central column to distinguish it as funding not income.

I08b – Income from facilities and services (budget plan line 39 & 40 / lines 29 & 30 special schools)

Include any income from facilities and services, **excluding** income from catering (see I09), lettings income (see I08a), staff insurance scheme claims (see I10 & I11) and donations (see I13). Please note that for schools operating under the SCC umbrella scheme, the bank interest rate continues to be 0.5% below the base rate – the current rate is 1.75 %. (October 2022).

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I09 – Income from catering (budget plan line 41/ line 31 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 42 / line 32 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 2023/24 and not previously accounted for in 2022/23.

I11 – Receipts from other insurance claims (budget plan line 43 / line 33 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 2022/23.

I12 – Income from contributions to visits (budget plan line 44 / line 34 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 45 / line 35 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 46 / line 36 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 47-51 / lines 37-41 special schools)

I18d - Primary PE grant (budget plan line 47/ line 37 special schools)

In June 2022, the DfE confirmed that the primary PE grant would continue for the 2022/23 academic year. However, the future of this grant for the academic year commencing September 2023 is currently unknown.

Where schools decide to include the funding in the final budget, the corresponding expenditure should also be included.

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

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

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I18d – Universal infant free school meals (budget plan line 48 / line 38 special schools)

This grant will include the final allocation for 2022/23 academic year. Its future beyond the summer term is unknown. Please include a provisional allocation for 2023/24, assuming the same funding rates as 2022/23:

- Each meal taken by an eligible pupil attracts £2.41. An allocation assumes that pupils will take 190 school meals over an academic year, providing £457.90 per eligible pupil.

I18c – Recovery premium grant (budget plan line 49 / line 39 special schools)

The government has recently confirmed that recovery premium will be payable in academic year 2023/2024 as well as 2022/23.

Recovery premium allocations for mainstream schools will be based on pupil premium eligibility.

The RPG per-pupil rate for the 2022/23 academic year is as follows:

Mainstream education:

- £145 per eligible pupil in primary schools
- £276 per eligible pupil in secondary schools

For other eligible schools, including special education units in mainstream schools, the rate is double the mainstream rate:

- £290 per pupil in primary education
- £552 per pupil in secondary education

In addition, a minimum payment will apply whereby:

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

Per pupil rates for the 2023/24 academic year are currently unknown. For draft budget purposes please use 2022/23 rates. No funding should be assumed beyond the 2023/24 academic year.

I18c School led tutoring grant (budget plan line 50 / line 40 special schools)

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

Details of the initial allocations for 2022/23 academic year are shown below:

[School led tutoring allocations 2022/23 academic year](#). These allocations assume the DfE provides a **maximum** of 60% of the cost with schools expected to contribute the remainder.

In the academic year 2023/24 schools will be provided with a grant to cover 25% of the cost. Schools will need to factor in increasing contributions to school-led tutoring from other budget sources.

For draft budget purposes no funding should be assumed from the 2024/25 academic year.

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

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2.3.3 Pupil focused revenue expenditure information and assumptions

It is recommended that, where possible, schools keep a contingency to cover further potential increases in costs and salaries given rising inflation, the effect of increases in energy prices, and the impact of the rise in the minimum wage on contract costs.

Given the current national context, until further information is available, schools should apply Surrey's corporate rates of inflation used for departmental budgeting purposes, unless specifically known to the contrary.

To summarise, for draft budget purposes, it is recommended that schools apply a **5.0%** increase to **support staff pay** from **April 2023**, and a **5.0%** increase to teachers' pay from **September 2023**.

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 to include a **7.3%** increase in 2023/24. Energy prices will need to be considered separately – please see **E16 – Energy** below for further details.

E01 – Teaching staff (budget plan line 52/line 42 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.

Whilst the department originally sought a two-year remit for teachers' pay (2022/23 and 2023/24), it finally accepted the STRB's recommendation for 2022/23 academic year only. The increments in teachers' pay for September 2023 will be known later next year when the government is likely to achieve its target of a minimum starting salary for teachers of £30,000 (outside London and fringe ranges).

It is recommended that a 5.0% cost of living increase should be incorporated from September 2023. No further cost of living increases should be included for Years 2 and 3 but ensure that performance related pay progression is included for all three years as appropriate.

The April 2022 increase of 1.25% to the rate of employer national insurance contributions, originally implemented to fund the Health and Social Care Levy, no longer applies.

The teacher employer superannuation rate rose to 23.68% in September 2019. Schools should continue to budget at this rate. The valuation process runs until late 2023 and any changes as a result will come into effect on 1st April 2024.

E02 – Supply teaching staff (budget plan line 53/ line 43 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.

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E03 – Education support staff (budget plan line 54/ line 44 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.

Details of the Surrey pay award for 2023/24 are currently unknown. For the purposes of the draft budget, it is recommended that a 5.0% increase should be incorporated from April 2023 until further advice is received.

Ensure that incremental pay progression is included from April 2023 where appropriate.

The April 2022 increase of 1.25% to the rate of employer national insurance contributions, originally implemented to fund the Health and Social Care Levy, no longer applies.

Surrey Pay employer superannuation is currently 25.2%. The triennial review of the employer's pension rate for schools is underway, and a decision is likely in mid-December. For draft budget purposes, please use 25.2% but note that the employer contribution rate for 2023/24 and later years may differ.

E04 – Premises staff (budget plan line 55/line 45 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 contractor costs.

Details of the Surrey pay award for 2023/24 are currently unknown. For the purposes of the draft budget, it is recommended that a 5.0% increase should be incorporated from April 2023 until further advice is received.

Ensure that incremental pay progression is included from April 2023 where appropriate.

The April 2022 increase of 1.25% to the rate of employer national insurance contributions, originally implemented to fund the Health and Social Care Levy, no longer applies.

Surrey Pay employer superannuation is currently 25.2%. The triennial review of the employer's pension rate for schools is underway, and a decision is likely in mid-December. For draft budget purposes, please use 25.2% but note that the employer contribution rate for 2023/24 and later years may differ.

E05 – Administrative and clerical staff (budget plan line 56/line 46 special schools)

Include full salary and on-costs of all administrative support staff (e.g., school business manager, admin' officer, bursar, school assistants/secretaries, clerks etc.) that are directly employed by the school. Where the cost is incurred as part of a service contract, they must be shown in the framework under the service heading e.g., clerking service under CFR ref. E28.

Details of the Surrey pay award for 2023/24 are currently unknown. For the purposes of the draft budget, it is recommended that a 5.0% increase should be incorporated from April 2023 until further advice is received.

Ensure that incremental pay progression is included from April 2023 where appropriate.

The April 2022 increase of 1.25% to the rate of employer national insurance contributions, originally implemented to fund the Health and Social Care Levy, no longer applies.

Surrey Pay employer superannuation is currently 25.2%. The triennial review of the employer's pension rate for schools is underway, and a decision is likely in mid-December. For draft budget purposes, please use 25.2% but note that the employer contribution rate for 2023/24 and later years may differ.

E06 – Catering staff (budget plan line 57/line 47 special schools)

Include full salary and on-costs of all catering staff (e.g., chefs, cooks, servers etc.) directly employed by the school. Where the cost is incurred as part of a contract this should be shown against CFR ref E25.

Do not include midday supervisor costs. These should be shown against CFR ref E07.

Details of the Surrey pay award for 2023/24 are currently unknown. For the purposes of the draft budget, it is recommended that a 5.0% increase should be incorporated from April 2023 until further advice is received.

Ensure that incremental pay progression is included from April 2023 where appropriate.

The April 2022 increase of 1.25% to the rate of employer national insurance contributions, originally implemented to fund the Health and Social Care Levy, no longer applies.

Surrey Pay employer superannuation is currently 25.2%. The triennial review of the employer's pension rate for schools is underway, and a decision is likely in mid-December. For draft budget purposes, please use 25.2% but note that the employer contribution rate for 2023/24 and later years may differ.

E07 – Costs of other staff (budget plan line 58/line 48 special schools)

Include full salary and on-costs to the school of midday supervisors and all other staff directly employed by the school and not included above.

Details of the Surrey pay award for 2023/24 are currently unknown. For the purposes of the draft budget, it is recommended that a 5.0% increase should be incorporated from April 2023 until further advice is received.

Ensure that incremental pay progression is included from April 2023 where appropriate.

The April 2022 increase of 1.25% to the rate of employer national insurance contributions, originally implemented to fund the Health and Social Care Levy, no longer applies.

Surrey Pay employer superannuation is currently 25.2%. The triennial review of the employer's pension rate for schools is underway, and a decision is likely in mid-December. For draft budget purposes, please use 25.2% but note that the employer contribution rate for 2023/24 and later years may differ.

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E08 – Indirect employee expenses (budget plan line 59/line 49 special schools)

Include the cost of recruitment and retention, DBS checks, travel expenses, private health care contributions (if paid directly by the school), duty meals, severance, premature retirement, or pension deficit costs borne by the school and any other employee expenses. Do **not** include the costs of staff development and training.

For community and voluntary controlled schools include the apprenticeship levy at 0.5% of basic pay costs.

For voluntary aided and foundation schools include the apprenticeship levy at 0.5% of basic pay if your total basic pay is more than £3m.

E09 – Development and training (budget plan line 60/line 50 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 61/line 51 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 2023/24 are not currently known – for budgeting purposes, please anticipate a 5.0% increase on the 2022/23 rates.

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

E11 – Staff related insurance (budget plan line 62/line 52 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 2023/24 are currently not available – for budgeting purposes, please anticipate a 5.0% increase on the 2022/23 rates.

For those schools that use 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 7.3% (October 2022) for non-salary items; this may be revised in the final budget details. Given increasing rates of inflation and volatility of prices in certain cost categories (e.g., energy) it would be prudent for schools, where possible, to hold a level of contingency.

E12 – Building maintenance and improvement (budget plan line 63/line 53 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.

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E13 – Grounds’ maintenance and improvement (budget plan line 64/line 54 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 65/line 55 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 66/line 56 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 67/line 57 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 (CCS) are in a fixed term contract from April 2022 until March 2023 and have benefitted from prices lower than the price cap set under the Energy Bill Relief Scheme for non-domestic users for the current winter. Information on any further support to come from Government after 1 April 2023 is not yet known so it advised that schools’ budget on the latest information provided by our Orbis Energy Team. With wholesale energy markets continue to be exceptionally volatile, the following percentages should be applied to forecasts for 2023/24:

Gas – 129% increase

Electricity – 73% increase

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 68/line 58 special schools)

For draft budgeting purposes please use your 2022/23 rates figure. 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 69/line 59 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 7.3% (October 2022). Given increasing rates of inflation and volatility of prices it will be prudent, where possible, for schools to hold a level of contingency.

E19 – Learning resources (not ICT equipment) (budget plan line 70/line 60 special schools)
Include expenditure on curriculum resources, **excluding** ICT learning resources. Do not include any support service buyback expenditure, as this should be shown against appropriate CFR ref. E23, E27 and E28.

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E20 – ICT learning resources (budget plan line 71/line 61 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 72/line 62 special schools)
Include all expenditure relating to examination fees.

E22 – Administrative supplies (budget plan line 73/line 63 special schools)
Include all expenditure on administrative supplies and services including telephones, bank charges and ICT resources for administrative purposes, etc.

E23 – Other insurance premiums (budget plan line 74/line 64 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 75/line 65 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 76/line 66 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 2023/24 are currently unknown and it is recommended the 2022/23 rates are increased by 7.3%. Schools should be aware of the possibility of increasing costs if contracts are due for renewal.

E26 – Agency supply teaching (budget plan line 77/line 67 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 78/line 68 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 79/line 69 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 80/line 70 special schools)

Include here any capital expenditure to be funded from the main formula allocation. This amount will automatically be transferred to CFR category CI04.

Voluntary aided schools should note that any revenue to capital transfer should include VAT as VA schools are not able to claim this money.

If the expected capital expenditure from the budget share in any year will exceed:

- £15,000 or
- 2% of the school's budget share if between £15,000 and £100,000 or
- £100,000 if 2% of the school's budget share is higher than this,

the Governing Body must notify the Authority 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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2.3.4 Pupil focused revenue balances at end of 2022/23

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

B01 – Committed Revenue balances (budget plan line 81/line 71 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 82/line 72 special schools)

This line will compute automatically based on funding, income and expenditure entered. If the computed amount is negative, you are forecasting a deficit and expenditure plans should be revised downwards to eliminate the deficit.

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2.4 Community focused revenue budget information and assumptions

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

Following the effect of COVID over the last two years and the impact this has had on schools, governing bodies should review the financial viability of their community focused activities to ensure a long-term strategy of sustainability.

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2.4.1 Community focused revenue balances brought forward from 2022/23

B06 – Community focused balances (Budget plan lines 83-84/lines 73-74 special schools)
Estimate any balances relating to community focused extended school activities that are anticipated in the 2022/23 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.

2.4.2 Community focused revenue funding and income 2023/24

I16 – Community focused funding and/or grants – Delegated funds (budget plan line 85/line 75 special schools)
Please include any funding given directly for community focused activities.

I16 – Community focused funding and/or grants – Other Funding (budget plan lines 86 – 87/lines 76-77 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 88-89/lines 78-79 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 90 – 93/lines 80-83 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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2.4.3 Community focused revenue expenditure 2023/24

E31 – Community focused staff – Operational and support staff (budget plan lines 94–95/lines 84-85)
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 and ensure appropriate levels of employer national insurance and superannuation are included.

Details of the Surrey pay award for 2023/24 are currently unknown. For the purposes of the draft budget, it is recommended that a 5.0% increase should be incorporated from April 2023 until further advice is received.

Ensure that incremental pay progression is included from April 2023 where appropriate.

The April 2022 increase of 1.25% to the rate of employer national insurance contributions, originally implemented to fund the Health and Social Care Levy, no longer applies.

Surrey Pay employer superannuation is currently 25.2%. The triennial review of the employer's pension rate for schools is underway, and a decision is likely in mid-December. For draft budget purposes, please use 25.2% but note that the employer contribution rate for 2023/24 and later years may differ.

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E32 – Community focused costs – Indirect expenses, training etc. (budget plan lines 96–100/lines 86-90 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 7.3% inflation for non-salary items.

Where possible, it would be prudent for schools to hold a level of contingency to recognise increasing inflation rates and volatility of prices.

E32 – Community focused costs – buildings, grounds, cleaning etc (budget plan lines 101–107/lines 91-97 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 7.3% inflation for non-salary items unless otherwise known.

E32 – Community focused costs – Consumables, equipment etc. (budget plan lines 108–116/lines 98-106 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 7.3% inflation for non-salary items unless otherwise known.

B02 – Community Focused balances (budget plan line 117/line 107 special schools)

This line will compute automatically based on funding, income and expenditure entered. If the computed amount is negative, you are forecasting a deficit and expenditure plans should be revised downwards to eliminate the deficit.

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2.5 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.

2.5.1 Capital balances brought forward from 2022/23

B03a – Devolved Formula Capital balance (budget plan line 118/line108 special schools)
Include an estimate of any unspent funding for Devolved Formula Capital (DFC), where the allocation has been received by the school.

B03b – Other capital balances (budget plan line 119/line 109 special schools)
Enter an estimate of all other capital balances (if appropriate), which have not already been accounted for.

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2.5.2 Capital funding and income 2023/24

CI01 – Devolved Formula Capital (budget plan line 120/line 110 special schools)
Estimates of Devolved Formula Capital for 2023/24 should be based on the 2022/23 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 121/line 111 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 122/line 112 special schools)
This box should reflect private or voluntary income raised for capital purposes.

C104 – Direct revenue financing (budget plan line 123/line113 special schools)
The direct revenue financing amount will pull through automatically from E30 – Direct revenue financing (revenue contributions to capital).

2.5.3 Capital expenditure information and assumptions 2023/24

CE01 – Acquisition of land and buildings (budget plan line 124/line 114 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 125/line 115 special schools)
Please enter any costs associated with new construction, renovations, or extensions, including fees.

CE03 – Vehicles, plant, equipment, and machinery (budget plan line 126/line 116 special schools)
Please include any capitalised expenditure on the acquisition, renewal, or replacement of vehicles.

CE04 – Information and communications technology (budget plan line 127/line 117 special schools)

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

2.5.4 Capital balances at end of 2023/24

B03 – Devolved Formula Capital balance (budget plan line 128/line 118 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 129/line 119 special schools)

This will reflect any other capital balances within the school accounts, not already accounted for.

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