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Finance Manual
Section A

Draft Budget Preparation
Annexe A – Preparation notes and guidance

January 2025

SURREY
COUNTY COUNCIL

Contents

1. Draft Budget Plan 2025/26 – 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 2025/26 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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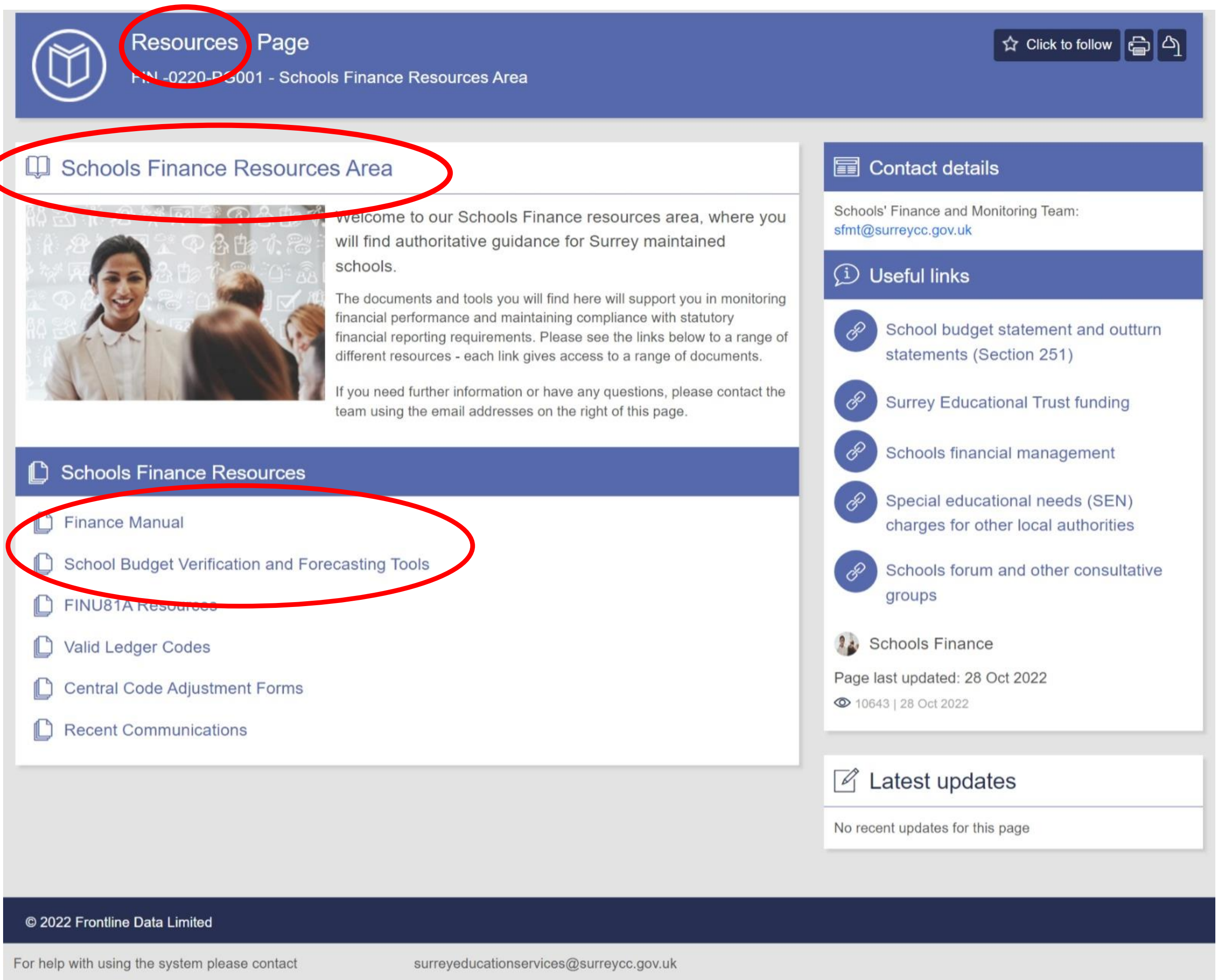
1.1 Where do I get a copy of the draft budget plan template?

The draft budget plan Template 2025/26 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 Template; 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.



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1.2 Most recent changes to the Budget Plan Templates

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

An additional tab, labelled *School's Assumptions*, requesting information about assumptions made and potential savings identified, is now included.

On the *School and other info* tab 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 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.

The information in Section A is for draft budget purposes only. The mainstream schools verification tool illustrates the funding proposals supported by Schools Forum on 10 January, but may still be subject to change, not least because some of the proposals require DFE sign off.

Special schools should continue to use the 2024/25 verification and forecasting tool at present when planning 2025/26 budgets. There is no information available yet about the likely inflation increase for special schools. The minimum funding guarantee for special schools has been set by DfE at 0%. When there is more information available there will be more details provided. The current specific grants for teacher pay and pensions and the core schools budget grant (which are being paid separately in 2024/25 as sums per place) are being consolidated into a single core schools budget grant for special schools in 2025/26. Please see further guidance below.

We cannot yet advise pupil referral units of inflation increases either. Advice to pupil referral units on grants is the same as for maintained schools.

The DfE have advised that like the wider public sector, schools must continue to drive better value from existing budgets and that schools may need to prioritise and redeploy resources to manage overall costs. The DfE states that most schools will need to supplement the funding they receive in 2025/26 with efficiencies.

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 2026) 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 draft 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 budget 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, emails, 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.

- Numbers 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 draft budget plan for 2025/26. 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 2026/27

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 2025/26. 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 2027/28.

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 draft budget plan?

Deadline for Draft Budget – as per the communication email sent by SFMT to schools on 23rd October, the usual submission date of 30th November has been extended. Using the verification tool for 2024-25 to 2025-26 for the draft budget plan, schools should aim to model funding for 2025/26 and later years. For the majority of schools, at this stage, there is no requirement to submit a draft budget plan, however the draft budget should be reviewed by governors by 14th February.

Schools that are currently under financial monitoring with the local authority are expected to provide governors with the draft budget plan by 14th February and will be contacted directly by the Schools Finance & Monitoring Team.

Any school that is forecasting a deficit, for which they are unable to identify adjustments to enable a balanced budget to be achieved, should contact the Schools Finance and Monitoring Team by 14th February.

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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 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 Plan is required for submission although it is good practice to prepare a budget plan at local level.

Networks – No draft budget plan is required for submission although it is good practice to prepare a budget plan 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 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, for budget purposes, exceed £2,000 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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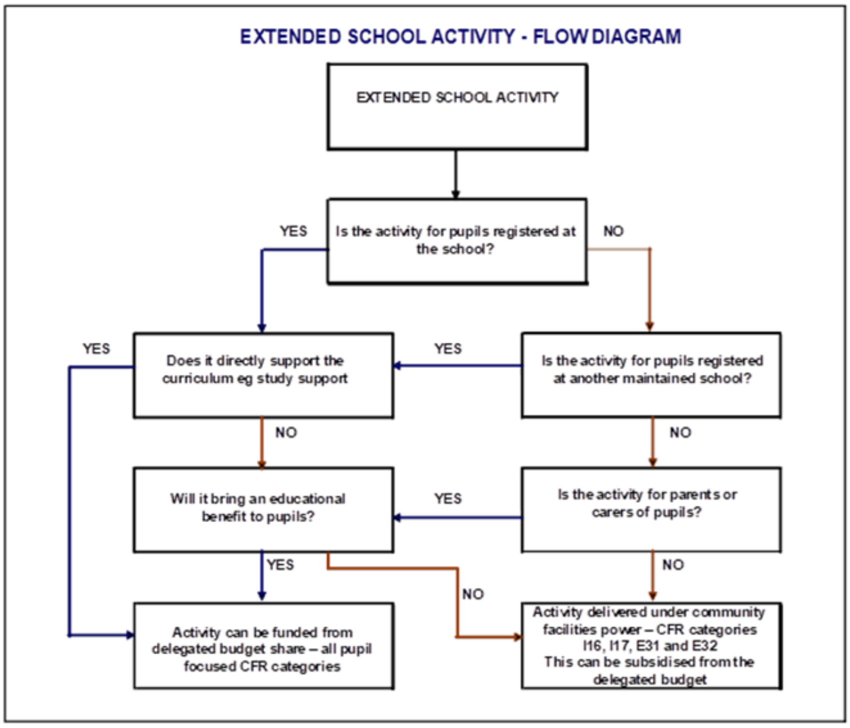
1.11 How do schools know whether an activity is pupil or community focused?

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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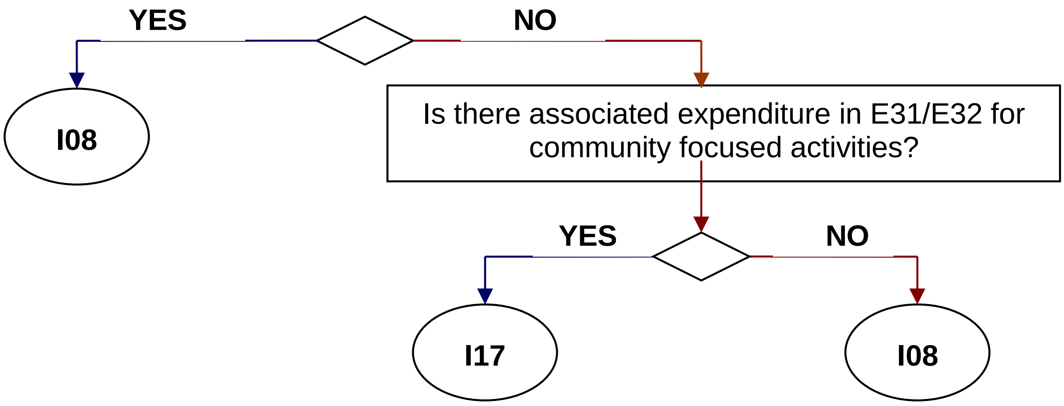
1.12 How do schools differentiate between lettings and extended provision?

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. Draft Plan Projections 2025/26

2.1 Budget plan projections

The Surrey Scheme for Financing Schools requires that governors submit their draft estimates of spending for 2025/26 no later than 30th November each year, however for this year's details please see section 1.5 above. 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 draft budget plan for 2025/26 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 2025/26 plan must not exceed the approved amount.

Should a school be unable to balance their 2025/26 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 2024/25

[Consistent financial reporting framework 2024 to 2025 - Guidance - GOV.UK (www.gov.uk)]

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2.4 Pupil focused revenue budget information and assumptions

2.4.1 Brought forward balance from 2024/25 (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.

Although inflation is lower, there remains some economic uncertainty and there are still financial pressures in the economy which may 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 2025/26 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 4-9)

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)

Teachers’ Pay Additional Grant (TPAG)
(budget plan line 17 sixth forms only/special schools line 8)

In 2025/26 the teachers’ pay additional grant for mainstream schools has been merged into NFF and thus schools should not assume any additional funding from this grant.

- **Special schools and pupil referral units**

Teachers’ pay additional grant, teachers’ pension employer contribution grant and core budget support grant have been combined into a single separate grant in 2025/26. They are not included in the verification tool, although we suggest you use the 2024/25 rates detailed below:

£480.32 per place for teacher pay additional grant (same as 2024/25)

However, schools should note that the LA has not yet reached a decision on how to allocate this funding in 2025/26 and that DFE has not confirmed the final funding rates either.

Teachers Pensions Employer Contribution Grant (TPECG)
(budget plan maintained sixth forms only line 18/special schools line 8)

From April 2024 the employers’ contribution for Teachers’ Superannuation increased by 5%. In 2024/25 this has been funded by the TPECG.

- **Mainstream schools**

As of 2025/26 this grant will be assimilated into the mainstream national funding formula and schools should not assume any further funding from this grant.

- **Sixth Forms - Teachers’ pension scheme employer contribution grant (TPSECG)**

The post 16 teacher pension grant is expected to continue up to July 2025 (although we cannot trace any DfE advice on the issue) because post 16 funding is allocated by academic year. For budget purposes please assume 4/12 of the 2024/25 teacher pension grant allocation (although this cannot be guaranteed)

- **Special schools and alternative provisions** (AP)

This grant remains separate to the High Needs Block Place Funding (is not included within the Verification & Forecasting Tool).

Teachers’ pay additional grant, teachers’ pension employer contribution grant and core budget support grant have been combined into a single separate grant in 2025/26. They are not included in the verification tool, although we suggest you use the 2024/25 rates detailed below:

£640.79 per place for teacher pension grant (same as 2024/25)

However, schools should note that the LA has not yet reached a decision on how to allocate this funding in 2025/26 and that DFE has not confirmed the final funding rates either.

- **Maintained nursery schools and maintained nursery classes**

This is paid to Maintained Nursery Schools and Maintained Nursery Classes with a qualified teacher; this grant (TPEG) is now assimilated into Early Years Funding (Dedicated School Grant (DSG), (is included within the Verification & Forecasting Tool)

Core Schools Budget Grant
(budget plan maintained sixth forms only line 20/special schools line 9)

- **Mainstream schools**

In 2025/26 the core schools budget grant for mainstream schools has been merged into NFF and thus schools should not assume any additional funding from these grants.

- **Sixth Forms**

The only exception is the post 16 schools budget grant. We would expect this to continue up to July 2025 (although we cannot trace any DfE advice on the issue) because post 16 funding is allocated by academic year. For budget purposes please assume 4/8th of the post 16 schools budget grant for the summer term (although this cannot be guaranteed).

- **Maintained nursery schools and maintained nursery classes**

Early years budget grant will cease after 31 March 2025 and will be included in the early years formula supplements.

- **Special schools**

We expect teachers' pay additional grant, teachers' pension employer contribution grant and core budget support grant to be combined into a single separate grant in 2025/26. They are not included in the verification tool, although we suggest you use the 2024/25 rates detailed below:

£1.050 per place for core schools budget grant. (12/7.2 x 2024/25 rate)

However, schools should note that the LA has not yet reached a decision on how to allocate this funding in 2025/26

Employers' National Insurance increase and reduction in National Insurance Contributions Threshold

- **Mainstream schools, special schools, alternative provision, PRU's, maintained nursery schools and maintained nursery classes** (budget plan line 7 mainstream schools/ special schools line 7)

Following the Autumn 2024 budget announcement that employer's NI contributions will increase by 1.2% to 15% and the reduction in the employers NI threshold from £9,100 to £5,000 with effect from 6 April 2025, the Government announced that there will be additional funding for the increase to the employers' national insurance increase.

Schools should be aware that the funding is unlikely to match costs at an individual school level, even if it does at national 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 increase of 1.2% in NI contributions and without the reduction in NI threshold and then calculate the costs again with the 1.2% increase employer's NI costs and the reduction in the employer's NI threshold. They should then use the difference between the two figures as the estimated funding figure until further information is available. The estimated funding figure used, and the estimated expenditure figure used should match.

I02 – Funding for sixth form students (budget plan lines 22-23 mainstream/ lines 13-14 special schools)

Mainstream schools – include your ESFA sixth form funding allocation. For 2025/26 academic year we suggest you allow for expected changes in pupil numbers (based on Oct 2024 census) but no more.

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 15-19 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 may have some pupils paid by band and some using the old IPSB points system; this will be the case until Summer 2025.

In order to forecast funding for 2025/26, 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 2025/26. The IPSB Estimator Bands (Annexe B) allows mainstream schools to estimate banding funding for pupils with EHCPs attending the school. The estimator currently uses 2024/25 banding rates, the 2025/26 banding rates have yet to be confirmed.

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 points (Annexe B) allows mainstream schools to estimate funding for pupils with EHCPs attending the school. The estimator currently uses 2024/25 points rates, the 2025/26 points rates have yet to be confirmed.

Special Schools

Special schools have moved 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. The estimator currently uses the 2024/25 banding rates, the 2025/26 banding rates have yet to be confirmed.

I04 – Funding for minority ethnic pupils (budget plan lines 28-29 mainstream / lines 20-21 special schools)

Schools should include any publicly funded source intended to promote access and opportunity for minority ethnic pupils. Schools should NOT show delegated EAL funding here.

I05 – Pupil premium (budget plan lines 30–34 mainstream / lines 22–26 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

2025/26 based on numbers in October 2024 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 27 & 28 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 29 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 30 special schools)
Include amounts from letting the school premises.

I08b – Outreach funding (budget plan line 39 / line 31 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 32 & 33 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 4.75% (December 2024).

I09 – Income from catering (budget plan line 42/ line 34 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 35 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 2025/26 and not previously accounted for in 2024/25.

I11 – Receipts from other insurance claims (budget plan line 44 / line 36 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 2024/25.

I12 – Income from contributions to visits (budget plan line 45 / line 37 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 38 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 39 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 40-44 special schools)

I18d - Primary PE grant (budget plan line 48/ line 40 special schools)
In July 2023, the DfE confirmed that the Primary PE grant would continue for the 2024/25 academic year. The future of this grant for the academic year commencing September 2025 is currently unknown.

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

Expected funding should be estimated on the 2024/25 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 introduced 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 41special schools) This grant will include the final allocation for 2024/25 academic year, which will include the backdated increase in the funding rate for the academic year 2024/25. Its future beyond the summer term 2025 is unknown. Please include a provisional allocation for 2025/26. Each meal taken by an eligible pupil attracts £2.58. An allocation assumes that pupils will take 190 school meals over an academic year, providing £490.20 per eligible pupil.

I18c – Recovery premium grant – Funding ended summer term 2024
This was a time limited grant with the final instalment in the summer term 2024. Schools must have spent this funding before the end of the summer term 2024.

I18c – School led tutoring grant – Funding ended summer term 2024
The academic year 2023/24 was the final year of the National Tutoring Programme.

Any funding that was not spent, and reported to DfE, at the end of the academic year 2023/24 will be recovered by DfE.

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2.4.3 Pupil focused revenue expenditure information and assumptions

Although inflation has reduced, there remains economic uncertainty; this may impact on the costs of resources, 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 2% increase in 2025/26.

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

The decision on the increase in teacher's pay will not be known until later this year. On 11th December the DfE published the [Government Evidence to the School Teacher's Review Board]() (STRB) in which the DfE anticipates that an award of 2.8% is likely to be appropriate.

"The £2.3 billion increase in funding for FY 2025-26 …… provided to schools will support new spending, including on pay awards, but schools, like the wider public sector, must continue to drive better value from existing budgets to help rebuild public services. In this context, whilst the allocations made to schools through the National Funding Formula include headroom for further pay awards in the coming year, the Department recognises that schools will also need to prioritise and redeploy resources (as appropriate) to manage overall costs."

"To cover the 2.8% award proposed for teachers, the Department recognises that most schools will need to supplement the new funding they receive in FY2025-26 with efficiencies. The balance between cost increases covered by new funding and those covered through efficiencies in existing budgets will vary at an individual school level, depending on a school's circumstances (for example, changes to its pupil numbers) and previous spending decisions (which will determine, for example, the balance between spending on teachers, support staff and non-staff items)." Government Evidence to the STRB December 2024

At this stage the Surrey Pay settlement for April 2025 in currently unknown. For budgeting purposes, it is recommended that schools apply a 3.0% increase to support staff pay from April 2025, this is higher than the estimated teachers' pay increment due to the increase in living wage.

Employers National Insurance (NI) changes from April 2025 - it has been announced that Employers NI will increase by 1.2% to 15% and that the threshold that employers start paying NI will be reduced from £9,100 to £,5000. Schools should include both the estimated funding and the estimated expenditure, and these figures should match.

E01 – Teaching staff (budget plan line 53/line 45 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**.**

The decision on the increase in teacher's pay will not be known for definite until later this year. On 11th December the DfE published the Government Evidence to the School Teacher's Review Board (STRB) in which the DfE anticipates that an award of 2.8% would be appropriate. It is recommended that schools apply 2.8% increase to teacher's pay from September 2025.

No further cost of living increases should be included for Years 2 and 3, except the full year impact of the September 2025 increase to teachers' pay but ensure that performance related pay progression is included for all three years as appropriate.

Teachers' Pension Scheme, the employers pension contribution rate is 28.68% as of the 1st April 2024.

Employers National Insurance (NI) changes from April 2025 - it has been announced that Employers NI will increase by 1.2% to 15% and that the threshold that employers start paying NI will be reduced from £9,100 to £,5000. Schools should include both the estimated funding and the estimated expenditure, and these figures should match.

E02 – Supply teaching staff (budget plan line 54/ line 46 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.

Employers National Insurance (NI) changes from April 2025 - it has been announced that Employers NI will increase by 1.2% to 15% and that the threshold that employers start paying NI will be reduced from £9,100 to £,5000. Schools should include both the estimated funding and the estimated expenditure, and these figures should match.

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.

At this stage the Surrey Pay settlement for April 2025 in currently unknown. For budgeting purposes, it is recommended that schools apply 3.0% increase to support staff pay from April 2025.

Ensure that incremental pay progression is included from April 2025 where appropriate.

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

Employers National Insurance (NI) changes from April 2025 - it has been announced that Employers NI will increase by 1.2% to 15% and that the threshold that employers start paying NI will be reduced from £9,100 to £,5000. Schools should include both the estimated funding and the estimated expenditure, and these figures should match

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.

At this stage the Surrey Pay settlement for April 2025 in currently unknown. For budgeting purposes, it is recommended that schools apply a 3.0% increase to support staff pay from April 2025.

Ensure that incremental pay progression is included from April 2025 where appropriate.

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

Employers National Insurance (NI) changes from April 2025 - it has been announced that Employers NI will increase by 1.2% to 15% and that the threshold that employers start paying NI will be reduced from £9,100 to £,5000. Schools should include both the estimated funding and the estimated expenditure, and these figures should match

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.

At this stage the Surrey Pay settlement for April 2025 in currently unknown. For budgeting purposes, it is recommended that schools apply a 3.0% increase to support staff pay from April 2025.

Ensure that incremental pay progression is included from April 2025 where appropriate.

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

Employers National Insurance (NI) changes from April 2025 - it has been announced that Employers NI will increase by 1.2% to 15% and that the threshold that employers start paying NI will be reduced from £9,100 to £,5000. Schools should include both the estimated funding and the estimated expenditure, and these figures should match

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.

At this stage the Surrey Pay settlement for April 2025 in currently unknown. For budgeting purposes, it is recommended that schools apply a 3.0% increase to support staff pay from April 2025.
Ensure that incremental pay progression is included from April 2025 where appropriate.

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

Employers National Insurance (NI) changes from April 2025 - it has been announced that Employers NI will increase by 1.2% to 15% and that the threshold that employers start paying NI will be reduced from £9,100 to £,5000. Schools should include both the estimated funding and the estimated expenditure, and these figures should match.

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.

At this stage the Surrey Pay settlement for April 2025 in currently unknown. For budgeting purposes, it is recommended that schools apply a 3.0% increase to support staff pay from April 2025.

Ensure that incremental pay progression is included from April 2025 where appropriate.

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

Employers National Insurance (NI) changes from April 2025 - it has been announced that Employers NI will increase by 1.2% to 15% and that the threshold that employers start paying NI will be reduced from £9,100 to £,5000. Schools should include both the estimated funding and the estimated expenditure, and these figures should match.

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 2025/26 are not currently known – for budgeting purposes, please anticipate a 3% increase on the 2024/25 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 2025/26 are currently not available – for budgeting purposes, please anticipate a 3% increase on the 2024/25 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 **2%** (October 2024) for non-salary items. Given the current economic uncertainty, it would be prudent for schools, where possible, to hold a level of contingency.

Changed Accounting re Leasing – CFR changes from April 2024
The introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools for accounting purposes. All leases will now count in principle as capital, unless the total value of the lease is below the local capitalisation threshold.

All leases will be classed as borrowing and will require the Secretary of State for Education's consent. The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities, as set out in the IFRS16 Maintained Schools Finance Lease Class Consent 2024 (link below). Leases not included in this order will still require the written consent of the Secretary of State.

The IFRS16 Maintained Schools Finance Lease Class Consent 2024

Where a lease counts as capital, it must not be included in the revenue expenditure lines E12 to E25. Instead, it must be included in E30 as direct revenue financing of capital. The same sum will appear in CI04, and the expenditure will then be recorded in CE01 to CE04 as appropriate.

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 (CCS) are advised to budget on the latest information and market update provided by Crown Commercial Services costs for gas and electricity. Wholesale energy prices are increasing from April 2025, purchasing is not yet complete, and prices may continue to rise between now and the end of March.
Our recommendation for draft budget forecasting purposes is to add the increases stated below onto your current year actual prices, remembering to take into account any changes in usage.

- Gas – increase of 4% on 24/25 prices
- Electricity –increase of 2% on 24/25 prices

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)
For Draft Budget Plan purposes please use your 2023/24 rates figures. 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 **2.00%** (October 2024). Given the current economic uncertainty it would be prudent for schools, where possible, to hold a level of contingency.

Changed Accounting re Leasing – coding changes from April 2024
The introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools for accounting purposes. All leases will now count in principle as capital, unless the total value of the lease is below the local capitalisation threshold.

All leases will be classed as borrowing and will require the Secretary of State for Education's consent. The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities, as set out in the IFRS16 Maintained Schools Finance Lease Class Consent 2024 (link below). Leases not included in this order will still require the written consent of the Secretary of State.

The IFRS16 Maintained Schools Finance Lease Class Consent 2024

Where a lease counts as capital, it must not be included in the revenue expenditure lines E12 to E25. Instead, it must be included in E30 as direct revenue financing of capital. The same sum will appear in CI04, and the expenditure will then be recorded in CE01 to CE04 as appropriate.

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) – **CFR changes from April 2024**

The DfE wishes to collect more information from schools about spend in key areas of technology and will collect this new information through the CFR framework from 2024/25.

For full guidance please use the following link:
[Consistent financial reporting framework 2024 to 2025 - Guidance - GOV.UK (www.gov.uk)]

This category has been split into sub-categories. ICT expenditure that is over the de minimis level and therefore capitalised should be shown in CE04.

The new revenue sub-categories are:
E20A: Connectivity
E20B: Onsite servers
E20C: IT learning resources
E20D: Administration software and systems
Please note schools should include the cost of Management Information Systems (MIS) and Finance Systems as they are now a school-based cost and no longer de-delegated as of April 2024.
E20E: Laptops, desktops and tablets
E20F: Other hardware
E20G: IT support

For the Draft Budget Plan please enter all E20 expenditure as one figure.

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) **– technology CFR coding changes from April 2024.**
Include all expenditure on administrative supplies and services including telephones, bank charges, etc. ICT resources for administrative purposes should now be allocated under E20, see E20 for full guidance.

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 2025/26 are currently unknown and it is recommended the 2024/25 rates are increased by 2.00%. 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) **– leasing CFR code changes from April 2024.**
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.

Changed Accounting re Leasing – CFR coding changes from April 2024
The introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools for accounting purposes. All leases will now count in principle as capital, unless the total value of the lease is below the local capitalisation threshold.

All leases will be classed as borrowing and will require the Secretary of State for Education's consent. The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities, as set out in the IFRS16 Maintained Schools Finance Lease Class Consent 2024 (link below). Leases not included in this order will still require the written consent of the Secretary of State.

The IFRS16 Maintained Schools Finance Lease Class Consent 2024

Where a lease counts as capital, it must not be included in the revenue expenditure lines E12 to E25. Instead, it must be included in E30 as direct revenue financing of capital. The same sum will appear in CI04, and the expenditure will then be recorded in CE01 to CE04 as appropriate.

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2.4.4 Pupil focused revenue balances at end of 2025/26

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 2024/25

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 2024/25 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 2025/256

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 2025/26

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.

At this stage the Surrey Pay settlement for April 2025 in currently unknown. For budgeting purposes, it is recommended that schools apply a 3.0% increase to support staff pay from April 2025.

Ensure that incremental pay progression is included from April 2025 where appropriate.

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

Employers National Insurance (NI) changes from April 2025 - it has been announced that Employers NI will increase by 1.2% to 15% and that the threshold that employers start paying NI will be reduced from £9,100 to £,5000. Schools should include both the estimated funding and the estimated expenditure, and these figures should match.

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 **2%** 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 **2%** 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 **2%** 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 2024/25

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.

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 2025/26

CI01 – Devolved Formula Capital (budget plan line 121/line 113 special schools)
Estimates of Devolved Formula Capital for 2025/26 should be based on the 2024/25methodology 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).

Changed Accounting re Leasing – CFR coding changes from April 2024 – see section 2.6.2 for full details.

2.6.2 Capital expenditure information and assumptions 2025/26

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

Changed Accounting re Leasing – CFR coding changes from April 2024
The introduction of IFRS16 for local authorities from 1 April 2024 ends the distinction between operating and finance leases at maintained schools for accounting purposes. All leases will now count in principle as capital, unless the total value of the lease is below the local capitalisation threshold.

All leases will be classed as borrowing and will require the Secretary of State for Education's consent. The Secretary of State has, however, agreed to provide blanket consent to a range of the most common leasing activities, as set out in the IFRS16 Maintained Schools Finance Lease Class Consent 2024. Leases not included in this order will still require the written consent of the Secretary of State.

For blanket consent details please use the following link:
The IFRS16 Maintained Schools Finance Lease Class Consent 2024

Where a lease counts as capital, it must not be included in the revenue expenditure lines E12 to E25. Instead, it must be included in E30 as direct revenue financing of capital. The same sum will appear in CI04, and the expenditure will then be recorded in CE01 to CE04 as appropriate.

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) **CFR coding changes from April 2024.**

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

The DfE wishes to collect more information from schools about spend in key areas of technology and will collect this new information through the CFR framework from 2024/25.

For full guidance please use the following link
[Consistent financial reporting framework 2024 to 2025 - Guidance - GOV.UK (www.gov.uk)]

This category has been split into sub-categories to collect additional information about ICT expenditure that has been capitalised.

The new sub-categories are:
CE04A: Connectivity
CE04B: Onsite servers
CE04C: Administration software and systems
CE04D: Laptops, desktops, and tablets
CE04E: Other hardware

****** For the draft budget plan please enter all CE04 expenditure as one figure. **

2.6.3 Capital balances at end of 2025/26

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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