

SURREY'S PLANNED EXPENDITURE ON SCHOOLS AND CHILDREN'S SERVICES (SECTION 251 BUDGET STATEMENTS) 2019/20

INTRODUCTION AND SUMMARY OF TABLES

The Section 251 budget tables are statutory tables providing information on Surrey's planned expenditure on education, children's social care and other services to children and young people in the financial year 2019/20. The format of the tables is largely prescribed by the Secretary of State for Education.

There are three tables:

The "LA table" shows total planned expenditure by the LA on schools, centrally managed education services, children's social care, services for pre school age children and other services for young people.

The "schools budget high needs and AP" table shows the place funding allocated to maintained special schools, to SEN centres (units and resources) in maintained mainstream schools, and to pupil referral units.

The "early years pro forma" table summarises Surrey's early years funding formula and other expenditure on early education provision.

Individual school budgets are not shown in the s251 budget statement, but initial formula budgets for individual Surrey maintained primary and secondary schools are shown elsewhere on the Schools Budget pages of the Surrey County Council website. The definitions and values of the formula factors for primary and secondary schools are also shown separately on those pages in the budget notes for primary and secondary schools and in the "local

authority funding pro forma" and "local authority funding pro forma additional commentary" files.

Budgets for special schools (and SEN centres in mainstream schools) and for nursery schools and nursery classes will change during the year because they are based on the number and characteristics of pupils in the school during the year. They are not simply based on October 2018 pupil data as are budgets for primary and secondary schools.

The Schools Budget and the "Other education and community" budget

Expenditure on Education is divided into a Schools Budget and an "other education and community budget". The Schools Budget is largely funded directly by DfE through the Dedicated Schools Grant (DSG), which can only be spent for this purpose. The Schools Budget covers schools' delegated budgets, funding of free entitlement places for three and four year olds in the private, voluntary and independent sector (and also for eligible two year olds), funding of educational provision outside Surrey schools (eg pupil referral units, non maintained special schools and education out of school), additional provision for pupils with special educational needs, and certain other specified support services delivered to, in or otherwise for the benefit of schools. It also includes funding for learners aged 16-25 with special educational needs or disabilities. The main categories of non delegated expenditure within the Schools Budget are summarised below:

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|-----------------|---|--|--|---|---|
| 1.1.- 1.1.10 | <i>De-delegated services</i> | <p>Services or purposes for which the Schools Forum has agreed that funding may be deducted from the budgets of maintained primary and/or secondary schools and held centrally. This includes the school specific contingency for the primary sector, which is used to fund significant unforeseeable expenditure which it would be unreasonable to expect a governing body to meet from their school's budget share.</p> <p>De-delegation is not allowed for nursery schools, special schools or pupil referral units.</p> | <p>includes a range of services supporting the 3-4 year old free entitlement. The Early Years annex provides further details.</p> | | |
| 1.2 | <i>High needs budgets</i> | <p>These include "top up" funding for high cost pupils (those costing more than £10,000) in maintained mainstream and special schools, SEN centres, academies, non maintained special schools, pupil referral units and with other providers, and the full cost of placements in independent special schools. High needs budgets also include costs of provision for post 16 learners with special educational needs in colleges and with specialist providers (but not the first £10,000). Also includes SEN support services (peripatetic physical and sensory, learning and language teachers, school based SEN outreach staff, speech and language and other therapy).</p> | <p>1.4 <i>Other centrally managed Schools Budget services</i> Includes school admissions and appeals, the growth fund for schools adding additional classes from September 2019, pre opening costs of new schools and protected vacancies in existing bulge classes, and support for small secondary schools with temporary falls in roll.</p> | | |
| 1.5 | <p>A range of support services which prior to 2017/18 were funded from Education Services Grant. These are services for which the LA is responsible for providing to all schools, including academies</p> | 1.3 | <i>Central expenditure on children under five</i> | <p>This includes the early years contingency, which is held to fund additional allocations to early years providers where pupil numbers increase during the year. It also</p> | <p>1.6 Services for which the Schools Forum has agreed that the LA may deduct funding from all maintained schools' budgets. Academies are responsible for providing or purchasing these services themselves. In Surrey the deduction is known as the "central services levy".</p> |
| 1.9 | <p>Sources of funding for Schools Budget (Dedicated Schools Grant, Education and Skills Funding Agency (ESFA) post 16 grant and LA (Council Tax) funding).</p> | 1.10 | <p>Sums recouped by ESFA for academies, including place funding for high cost SEN places in special academies and academy SEN centres.</p> | <p>2 Other Education and Community budgets 2.0-2.4 LEA's responsibilities for special educational needs assessment and support, home to school transport,</p> | |

welfare/attendance, music, school improvement, asset management and planning provision of school places, adult and community learning, statutory/regulatory duties, premature retirement costs, and insurance for local authority education functions other than schools. Some services (2.0-1-2.0.7) are also partly funded from Dedicated Schools Grant within the Schools Budget (see 1.5 and 1.6 above) and the budget shown in section 2 is that part of the cost which is funded by council tax/business rates or from grants other than DSG. The LA is responsible for services in categories 2.1-2.4 for pupils in both maintained schools and academies.

3.0 Children and Young People's services: Early Years and Sure Start Children's Centres

The cost of services for under fives provided outside schools, other than the free entitlement to early education and childcare for 2, 3 and 4 year olds, but including the cost of children's centres whether or not in schools.

3.1-3.4 Children and Young People's Services: children's social care

Includes services for looked after children, child protection services, family support services, services for asylum seekers, adoption services, other children and families services, commissioning and social work .

3.5 Children and young people's services: services for young people

Includes the youth service, and information, advice and guidance services.

3.6 Youth Justice

Table 2 High needs table: Place funding for special schools, mainstream SEN units/resources and AP settings (pupil referral units)

This table shows the number of high cost SEN places funded in Surrey maintained special schools, SEN units/resources in maintained mainstream schools, the number of places funded in pupil referral units and the total sum allocated as place funding for each provider. Most of these providers also receive additional "top up" funding based on the number of pupils on roll during the year and their needs. (Hospital pupil referral units receive a higher rate of place funding but do not receive additional top up funding). High needs places in academies, which are funded directly by the ESFA, are excluded from the table, but the number of such places is published separately by the DfE

Table 3 Early Years Pro Forma table

This table shows the factors and funding rates in Surrey's single early years funding formula and the initial allocations under each factor. It also shows the funding allocated to early years which is to be allocated to providers during the year where the number of child hours taken up exceeds the initial estimates or which is to be spent centrally on support services (see also line 1.3.1 in the LA Table).

THE CENTRALLY MANAGED SCHOOLS BUDGET IN THE LA TABLE

The table below shows the main Education services and budgets which are included in each category within the Schools Budget in the LA Table.

Note that expenditure attributable to nursery classes in infant and primary schools appears within the Early Years column not in the "primary" column

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| 1.0.1 | <p>Schools' delegated budgets (excluding high needs place funding) and initial budget allocations to private early years providers</p> <p>See above Includes pre 16 funding for academies but post 16 ESFA funding for maintained sixth forms only Also includes estimated allocations to maintained nursery schools, maintained/academy nursery classes and other (private, voluntary and independent) nursery providers, including SEN inclusion fund</p> |
| 1.0.2 | <p>Delegated high needs place funding for special schools, SEN centres (units and resources) and pupil referral units Includes SEN place funding in academies</p> |
| 1.1 | <p>De-delegated funding (maintained primary and secondary schools only: agreed by Schools Forum)</p> <p>In all cases, the sums shown against each sector are the sums de-delegated from those sectors for those schools which were maintained by the LA at 31 March 2019.</p> |
| 1.1.1 | <p><i>School specific contingencies (primary only)</i></p> <p>Sums held to fund unforeseeable costs which it would not be reasonable for governors to meet from the school budget share. This would also cover additional assistance to schools in financial difficulties. There is no contingency for the secondary sector because the secondary sector has not supported de-delegation of funding for this purpose.</p> |
| 1.1.2 | <p><i>Behaviour support</i></p> <p>Peripatetic behaviour support teachers and part of the cost of the area exclusion/reintegration support teams (primary sector only: delegated to secondary).</p> |

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| 1.1.3 | <p><i>Underperforming ethnic groups and bilingual learners</i></p> <p>This service is no longer de-delegated in Surrey. Services for pupils with English as an Additional Language are now fully traded.</p> |
| 1.1.4 | <p><i>Free school meals eligibility checking</i></p> <p>Cost of checking pupils' eligibility for free school meals.</p> |
| 1.1.7 | <p><i>Licences and subscriptions</i></p> <p>Cost of schools administration software licences</p> |
| 1.1.8 | <p><i>Staff costs: supply cover (excluding facility time)</i></p> <p>Supply cover for public duties, apart from teacher association/trade union representation) and for suspensions etc. No funding is held centrally in Surrey for the cost of covering sickness absences</p> |
| 1.1.9 | <p><i>Supply cover (facility time)</i></p> <p>Cost of centrally funded release time for teacher association and trade union representatives (Now de-delegated from primary schools only)</p> |
| 1.10 | <p><i>Additional school improvement</i></p> <p>Funding devolved to schools requiring assistance with school improvement costs or interim leadership costs, plus the cost of services to GRT pupils and the administrative costs of the school to school support offer.(all for primary schools only: fully delegated to secondary schools)</p> |
| 1.2 | <p>High cost pupils</p> |

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| 1.2.1 | <p><i>Top up funding: maintained providers</i> Top up funding for high needs pupils in maintained mainstream schools (individual pupil support budget), top ups for maintained mainstream SEN centres, special schools and pupil referral units. Includes top up funding for Surrey pupils in schools maintained by other LAs, net of expected income from other LAs where their pupils are educated in Surrey maintained schools. Also includes budgets for SEND adaptations in Surrey schools.</p> <p>The Agency budget (payments to SEN providers other than state schools in Surrey) is divided between 1.2.1, 1.2.2 and 1.2.3 based on 2018/19 estimated outturn.</p> |
| 1.2.2 | <p><i>Top up funding-academies, free schools, further education and sixth form colleges</i> Estimated top up funding paid to these providers for high needs pupils. Includes mainstream and special academies, plus learners aged 16-25 with SEND where they are educated in FE and sixth form colleges.</p> |
| 1.2.3 | <p><i>Top up funding: independent providers</i> Top up funding for high needs pupils and post 16 learners paid to non maintained special schools, and the full cost of high need pupils in independent special schools. Includes independent post 16 specialist providers (Part of Agency budget)</p> |

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| 1.2.4 | <p><i>Additional targeted high needs funding for mainstream schools and academies</i> Additional funding allocated to those schools where the total cost of the first £6,000 per “high need” SEN pupil is high relative to the school’s level 2 notional SEN budget. The allocation for primary schools will be based on high cost pupils on roll in the 2019/20 LA financial year. The initial allocation is based on the Oct 2018 school census but will be updated based on data for May 2019, October 2019 and January 2020. The allocation for secondary schools is based on October 2018 school census data and is not updated during the year</p> |
| 1.2.5 | <p><i>SEN support services</i> This Includes physical and sensory support, physical and sensory ICT equipment, learning and language support and Portage. It also includes speech and language therapy, occupational and nursing therapy where required as educational provision in a child’s statement/EHC plan, outreach staff attached to special schools and SEN centres, and designated nurture groups in primary schools. Where necessary, costs are apportioned across sectors based on estimated historic staff deployment or usage</p> |
| 1.2.6 | <p><i>Hospital tuition</i> Includes part of the costs of the Access to Education-service, for provision of education to pupils unable to attend school for medical reasons, and costs of external hospital education</p> |

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| 1.2.7 | <i>Other AP provision (alternative provision)</i> Includes Access to Education (non medical needs), Active Learning Programme, Surrey On line school, placements of high need SEND pupils with external alternative education providers, funding given to 14-19 networks for alternative learning projects, education in residential children's homes, and support for pupils educated at home by parental choice. |
| 1.2.8 | <i>Support for inclusion (of pupils with SEN, in mainstream schools or alongside mainstream pupils)</i> Category no longer used in Surrey, although some of the services included in sections 1.2.5 and 1.3.1 support inclusion. |
| 1.2.9- | <i>Additional funding for special schools and PRUs in financial difficulties</i> Not used in 2019/20 |
| 1.2.10 | <i>PFI and BSF costs at special schools and pupil referral units</i> No such costs have been incurred in Surrey |
| 1.2.11 | Estimated costs of personal budget allocations where young people/parents have chosen to be supported in this way. |
| 1.2.12 | <i>Carbon reduction commitment costs for pupil referral units</i> No separate budget has been set for this purpose in Surrey as the sum involved is not sufficiently significant. |
| 1.2.13 | <i>Therapies and other health related services</i> Funding for therapies is included in 1.2.5 above where it is deemed to meet an educational need. |

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| 1.3 | Central expenditure on children under five |
| 1.3.1 | Early years contingency (for allocations to early years providers under Surrey's early years formula to fund additional two, three and four year olds over and above the initial estimate) Plus some centrally retained staff and other funding (see Early Years table) |
| 1.4 | Other school related support services in the Schools Budget |
| 1.4.1 | <i>Contribution to combined budgets (where approved by Schools Forum)</i> There are no longer any such budgets in Surrey. |
| 1.4.2 | <i>School admissions</i> Admissions functions of the Admissions and Transport team. Cost of admissions appeals for community schools plus additional devolved funding allocation for appeals costs for Aided and Foundation schools and academes. Apportioned based on pupil numbers |
| 1.4.3 | <i>Servicing of Schools Forum</i> Expenses of Schools Forum (including costs of meetings administration but excluding cost of research) Apportioned across sectors based on fte pupil numbers |
| 1.4.4 | <i>Termination of employment costs (where approved by the Schools Forum as generating a saving)</i> None in Surrey |

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| 1.4.5 | <i>Falling rolls fund</i> Sums allocated to good and outstanding small secondary schools facing a temporary dip in pupil numbers and where the places will be required within the next few years to accommodate rising pupil numbers. Includes a contingency in case other schools with temporary falls in rolls meet the OFSTED criteria during the year. |
| 1.4.6 | <i>Revenue funded capital expenditure (none in Surrey)</i> The LA is only now allowed to fund such expenditure from revenue within the Schools Budget if it arises from commitments entered into before 2013/14 which were approved for funding through the Schools Budget before such expenditure was funded from the Schools Budget in 2012/13. There were no such commitments in Surrey. |
| 1.4.7 | <i>Prudential borrowing costs (none in Surrey)</i> Costs of borrowing to fund capital expenditure which generates sufficient revenue savings to offset the cost of borrowing. Again this can only be used where it arises from commitments approved before 2013/14. There were none in Surrey. |
| 1.4.8 | <i>Fees to independent schools for pupils without SEN (typically for pupils with special abilities in music and performing arts)</i> There is no budget for this purpose in 2019/20. |
| 1.4.9 | <i>Equal pay/back pay (allocations to schools to cover retrospective claims)</i> Not used in Surrey |
| 1.4.10 | <i>Pupil growth</i> The growth fund is used to provide part year funding for additional classes opening in September 2019 where |

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| | schools have increased their PAN or have been asked to admit bulge classes (classes above PAN) It also covers pre opening costs for new schools and other agreed costs for expanding schools. It also includes funding for vacancies in bulge classes in primary schools where the LA has agreed to fund them, and vacancy funding for the first additional year group admitted under a permanent extension of age range. The Pro Forma Additional Information provides further details. |
| 1.4.11 | <i>SEN transport (where cost of transport is offset by savings from ceasing out county placement)</i> Not used in Surrey |
| 1.4.12 | <i>Exceptions approved by Secretary of State</i> None in Surrey |
| 1.4.13 | <i>Infant class sizes</i> All additional vacancy funding for infant classes in growing schools is shown under s1.4.10 and hence none is shown here |
| 1.4.14 | <i>Other items</i> Cost of licences now purchased centrally by DfE on behalf of schools and recharged to LAs (copyright licensing, music publishing, educational recording agency, newspaper licensing, public video screening, motion picture licensing, phonographic performance licences, performing rights licences, Christian Copyright Licensing International and Mechanical Copyright Protection Society) |

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| 1.5 | <p>Central provision within schools budget (former ESG retained duties)</p> <p>This comprises a range of statutory duties nominally funded prior to 2017/18 by the former Education services grant and which are LA statutory duties both for maintained schools and academies. Part of the cost of these services continues to be met from LA funds and the costs are shown in 2.0.1-2.0.7</p> |
| 1.5.1 | <p><i>Education welfare service</i></p> <p>Part of the cost of the LA's school attendance functions</p> |
| 1.5.2 | <p><i>Asset management</i></p> <p>Part of the cost of the LAs overall responsibility for allocating capital resources to schools and maintaining an asset management plan</p> |
| 1.5.3 | <p><i>Statutory/regulatory duties (all schools)</i></p> <p>Includes part of the cost of the Director and other "whole service" senior management costs and part of the cost of schools finance and central data systems functions.</p> |
| 1.6 | <p>Central provision funded from maintained schools' budgets (including maintained special schools and pupil referral units, but not nursery schools)</p> <p>These are duties of the LA only in respect of maintained schools. The funding for these services is deducted from maintained schools' budgets with the approval of Schools Forum. Academies are responsible for providing or purchasing these services themselves.</p> |

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| 1.6.1 | <p><i>Central support services</i></p> <p>No service within this category is now funded from DSG. Cost of music service is funded by the LA and shown in 2.0.1</p> |
| 1.6.2 | <p><i>Education welfare service</i></p> <p>This is for education welfare duties which apply only to maintained schools. The LA has not sought to fund any such costs from the Schools Budget. All of the education welfare service costs funded from the Schools Budget are for services relevant to all schools, including academies.</p> |
| 1.6.3 | <p><i>Asset management</i></p> <p>This is largely the cost of managing specific capital projects (mostly basic need-ie additional school places) in maintained schools.</p> |
| 1.6.4 | <p><i>Statutory/regulatory duties</i></p> <p>This includes finance/HR /data collection/health and safety support to maintained schools, strategic risk management services for schools, administration of teachers' pensions contributions, schools audit and other LA financial monitoring in respect of maintained schools only.</p> |
| 1.6.5 | <p><i>New premature retirement and redundancy costs</i></p> |
| 1.6.6 | <p><i>Monitoring national curriculum assessment</i></p> |
| 1.7 | <p>Expenditure supported by specific grant</p> <p>No such expenditure is expected in Surrey in 2019/20 (except for pupil premium, catch up premium and other grants paid directly to schools, which are excluded from the table)</p> |

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| 1.9 | <p>Sources of funding of the Schools Budget Shows how much of the Schools Budget is funded by DSG, ESFA post 16 grant and by council resources, and the amount of unspent DSG brought forward from previous years. ESFA post 16 grant includes funding for sixth forms in maintained mainstream schools, other than high needs funding, and is completely outside DSG; The cost of high needs place funding for post 16s, which is deducted from DSG and paid directly by ESFA, is shown as DSG funded in line 1.9.1</p> |
| 1.10.1 | <p>Academy recoupment (excluding high needs places) This is the sum included in line 1.0.1 in respect of the initial budgets of mainstream academies (with a few adjustments) which is to be recouped by ESFA by deduction from DSG in order to fund academies Note that this is not the same as the initial budgets for the academies, because they are based on academic year not financial. This excludes funding for high need SEND places</p> |
| 1.10.2 | <p>Academy recoupment (high needs places) This is the sum included in line 1.0.2 for high needs places in mainstream and special academies, which will be deducted by ESFA from DSG and paid directly to the academies</p> |

THE "OTHER EDUCATION AND COMMUNITY" BUDGET IN THE LA TABLE

CENTRAL SUPPORT SERVICES (2.0.1)

This is part of the cost of the music and performing arts service, excluding the sum funded by grants, which is shown in 2.4.1.

EDUCATION WELFARE SERVICE (2.0.2)

Includes child employment regulation costs. Note that part of the cost of welfare services is included in line 1.5.1.

SCHOOL IMPROVEMENT EXPENDITURE (2.0.3)

This is the LAs role in identifying and arranging support for underperforming schools,

STATUTORY/REGULATORY DUTIES (2.0.5)

This comprises a number of central LEA education responsibilities defined by legislation, including the overall management of the education service, whole service planning, performance management functions, financial management and administration, provision of statutory information, and health and safety. It also includes the cost of administration of pupil exclusions. Some of these costs now appear within lines 1.5.3 and 1.6.4 instead where funded from Dedicated Schools Grant.

OTHER SPECIFIC GRANTS (2.4.1)

The expenditure and income shown here relates to grants for the Music service.

EARLY YEARS AND CHILDREN'S CENTRES (3.0)

This covers funding for services to under fives, including children's centres, but excluding the free entitlement to early education and childcare (included in s1.0.1/1.3.1). It does not include support for childcare for children over five, which appears within line 3.4.5

OTHER CHILDREN AND FAMILIES SERVICES (3.2.1)

The largest part of this (£3.2m) is the non-Education share of costs of residential placements in non maintained/independent special schools for children who are not looked after but where there is a non educational need for the residential placement.

TARGETED FAMILY SUPPORT (3.4.4)

Includes local authority share of CAMHS pooled budget, special guardianship orders for children who are not looked after, cost of “troubled families” programme (gross of grant), share of costs of early help hubs and a range of other intervention and support programmes.

YOUNG PEOPLE (3.5)

Includes the youth service and information, support and guidance.

NOTES AND BACKGROUND***Legislation***

The categories of expenditure in the LA table were defined by DfE. Their full definitions can be found in the Budget Guidance on the DfE Section 251 web site (find at <https://www.gov.uk/government/collections/section-251-materials#section-251:-2019-to-2020>). The categories of expenditure which an LEA is allowed to retain centrally (i.e. not to delegate) are specified in the School and Early Years Finance (England) (no2) Regulations 2018, 2018 SI 1185). This can be found at www.legislation.gov.uk/uksi.

Overheads

Most central support services such as finance, human resources, legal services, ICT and property management (including day to day running costs) are now provided by the Business Services Directorate. The budgets shown in the LA table include the share of such costs attributable to Education services and to other children’s services.

Depreciation and IAS19 adjustments

Budgets shown here do not include depreciation or other capital charges on land, buildings and equipment, nor do they include IAS19 adjustments where the cost of pensions differs from the employer and employee contributions set aside in the year.

Basis of apportionment of budgets to Early years, nursery, primary, secondary and special schools

Where the cost of services cannot be directly attributed to specific sectors, a range of apportionment methods has been used, including ISB, pupil numbers, number of statemented or EHCP/SEN pupils, historic expenditure and staff time estimates. It should be noted that the distribution of resources between sectors and age groups can vary from year to year and that for some services it is fairly arbitrary because by their nature they work across services on a demand led basis.

Government grants

Costs of services in section 3 are shown gross of government grants estimated at £5.2m. The largest sums are for

| | £m | Supports expenditure in lines |
|---------------------|-----|-------------------------------|
| * Asylum seekers | 4.6 | 3.1.1.,3.1.2a. 3.1.9 |
| * Troubled families | 0.4 | 3.4.4 |
| * Rough sleepers | 0.1 | 3.1.9 |
| * Extended HOPE | 0.1 | 3.4.4 |