

Papers for Schools Forum meeting 10 December 2020

Item 6a
Surrey Schools Forum
10 December 2020
For decision

Proposed Central Schools Services Block budgets 2021/22

The Central Schools Services Block funds a range of services within the former Schools Block, including those funded prior to April 2017 by the former Retained Education Services Grant (ESG), but not including funding de-delegated or levied sums from individual schools budgets.

These are statutory responsibilities of the LA both for maintained schools and academies. The Forum has the right of approval of expenditure from the central schools services block (except payments to the DfE for licences and subscriptions). The LA has the right of appeal to the Secretary of State.

The value of Surrey's central schools services block funding allocation (excluding historic commitments) is expected to increase by £157,000 in 2021/22 on the basis of provisional mainstream school pupil numbers. The 2020/21 budgets and proposed 2021/22 budgets for the central schools services block are shown below. No major changes are proposed compared to 2020/21 but there is some realignment between services reflecting updates to estimates

<u>CSSB budgets (actual and proposed)</u>	Budget 2020/21 £000s	Budget 2021/22 £000s
<u>Services</u>		
Admissions service team costs	791	885
Admissions service overheads - (property, contact centre, IT, payroll etc)	1,002	868
Admissions appeals: community schools	125	258
Devolved admissions appeals funding	230	230
Schools Forum running costs	26	26
Copyright licences (sum charged by DfE)	730	775
	2,904	3,042
<u>Former Retained ESG functions (DSG funded part)</u>		
Education welfare	1,395	1,395
Asset management	19	26
Contribution to statutory/ regulatory duties (for all schools)		
IT, SACRE	155	181
Head of service (part)	250	250
Partnership role incl school relationships (part)	165	165
Finance (Schools Funding service budgets) ¹	224	224
Phase council supply cover	29	15
Total former retained ESG services (see annex)	2,237	2,256

Total CSSB costs excluding historic commitments	<u>5,141</u>	<u>5,298</u>
Estimated CSSB allocation excluding historic commitments	<u>5,141</u>	<u>5,298</u>

The increase in copyright licence costs is dictated by the DfE and there is an element of “catch up” in this part of the budget as it was not increased in 2020/21. There has been some reclassification of costs for Admissions.

The CSSB also includes an allocation of £695,000 for “historic commitments” (reduced from £870,000 in 2020/21), but that has been delegated to individual schools since April 2018. The reduction was considered by Schools Forum at its October meeting.

Estimated total cost of former Retained ESG services

Prior to April 2017 the DfE allocated Retained ESG funding to local authorities at £15/ pupil (a flat rate nationally), as a contribution to the cost of a range of statutory services which the LA had to provide on behalf of all schools and to the overall cost of managing the school system. Retained ESG funding was transferred into DSG in 2017/18, but the requirement on the LA to provide the services has not changed and indeed individual LAs may spend more or less on these services. Surrey then spent (and still spends) far more than £15/head on these services, but the amount requested from DSG in 2021/22 has increased only in line with the available CSSB DSG funding. The additional costs of former retained ESG services were and will continue to be met from council tax.

Recommendation

That the Forum approves the proposed expenditure from the central schools services block.

David Green

Item 6b
Surrey Schools Forum
10 December 2020
For decision

Central services levy on maintained schools 2021/22

The local authority (LA) has a number of responsibilities for maintained schools which until September 2017 were funded by Education Services Grant (General Duties). This grant was also paid directly by the ESFA to academies as these responsibilities transfer to academies or Multi Academy Trusts (MAT).

Following the withdrawal of ESG, DfE regulations were amended to permit LAs to recover these costs from their maintained schools. In Surrey this is achieved via a per pupil levy (the “central services levy”) on maintained schools (per place for special schools and pupil referral units). This ceases as schools convert to academy status and the LA’s responsibilities then cease. Most Multi Academy Trusts (MATs) recover these costs via a top-slice on individual academies within their trust.

Maintained school representatives on the Schools Forum have the right of approval of the levy. The local authority has the right of appeal to the Secretary of State if necessary.

Annex A shows the functions for which the LA is permitted to levy maintained schools. These are unchanged from 2020/21. Annex B shows the proposed deductions for 2021/22 compared to the initial proposals for 2020/21.

The central services levy deduction cannot apply to maintained nursery schools.

For 2021/22 we are proposing to retain the levy at the same rate as in 2020/21. 2019/20 and 2020/21 have seen a reduction in the rate of academy conversions, to the extent that we expect the 2021/22 levy to realise the same amount as that originally estimated for 2020/21. However, there have been some changes in the estimated costs of individual services.

Recommendation

That representatives of maintained primary, secondary and special schools and PRUs approve a levy on those sectors of £35.98 per pupil/place, for central services to maintained schools.

David Green

Annex A

LA Responsibilities to Maintained Schools within the scope of the central services levy

<p>Financial monitoring and administration</p>	<ul style="list-style-type: none"> • Payment of funding tranches to schools • Ensuring proper monitoring of schools' expenditure and accounting on schools and council systems, reconciliation of Local Bank Accounts, external audit liaison. (Includes Consistent Financial Reporting functions (Sec 44 of the 2002 Act) • Promoting strong financial management – via maintenance of Scheme for Financing Schools, Finance Manual, bulletins, support on CFR etc; • Validating budget plans and assisting schools in deficit
<p>HR</p>	<ul style="list-style-type: none"> • Undertaking statutory HR responsibilities in respect of schools where SCC is the employer and supporting other maintained schools in meeting their HR employment and education legal responsibilities. • Supporting schools with their statutory and good employment practice obligations in relation to HR issues arising from the safeguarding of children and young people. • Developing and maintaining effective partnerships with unions and professional associations on matters relating to schools
<p>Governance</p>	<ul style="list-style-type: none"> • SCC fulfils its statutory obligations with regard to the governance of its maintained schools. Surrey governing bodies operate effectively and individual governors have the opportunity to be well informed of their roles and responsibilities. • An accurate Surrey governor database is maintained. • Chairs of Governors, individual members of governing bodies and clerks of SCC schools have access to up to date guidance and support via Governor Update, website, helpdesk, email alerts

	<p>and access to training and development opportunities.</p> <ul style="list-style-type: none"> • Two Chairs of Governors liaison and briefing meetings are provided per term, administered and supported by Babcock 4S. Clerks' Briefings are organised on a termly basis (traded service). • Additional Skills Governors are recruited, trained, and deployed to schools
Monitoring national curriculum assessment	<p>The LA has statutory obligations relating to assessment for maintained schools as directed by the Standards & Testing Agency (STA). These include:</p> <p><u>National Curriculum Assessment</u></p> <ul style="list-style-type: none"> • responsibilities for monitoring of key stage tests in maintained primary schools and other education settings • Support for new and experienced Year 2 and Year 6 teachers so that they understand STA requirements. • Quality assurance procedures are in place and data submitted to the DfE is accurate and consistent with national standards. • Statutory guidance and DfE updates are disseminated and shared with schools
ICT (data collection and analysis)	<ul style="list-style-type: none"> • Facilitating data transfer including data storage. Management & assistance with statutory data collections for maintained schools (eg Consistent Financial Reporting, pupil census etc) • Support to schools to ensure accurate data – and therefore accurate funding entitlements to schools
Teachers pensions admin	<p>Provision of accurate information to the Teachers Pensions Agency thereby ensuring accurate deductions are made and accounted for and pension entitlements are protected.</p> <p>Resolving queries and tracking staff as they enter and leave the scheme.</p>
Schools' strategic risk management	<p>Includes compliance with duties under the Health & Safety at Work Act.</p> <p>Updates on regulatory & legislation changes via School Bulletin and SRM Health & Safety newsletter</p>

	<p>Unlimited access to telephone and email support</p> <p>Provision of Oshens – online accident reporting system</p> <p>Provision of Evolve – offsite trips website</p> <p>Support with accident investigations and RIDDOR reporting</p> <p>Fire safety advice and support with fire risk assessments</p> <p>Radiation Protection Advisor (RPA) for secondary schools</p> <p>Membership of CLEAPSS for Science / DT H&S advice and membership of ROSPA</p>
Facilities management	<ul style="list-style-type: none"> • Ensuring schools are complying with statutory health & safety obligations where the LA is the ultimate employer and supporting all maintained schools, as partners in education • Providing web site, helpdesk, briefings to heads and email support ensuring up to date advice and intervention • Tree stock located on maintained schools' premises are inspected under a cyclical three year inspection programme
Basic Need Capital & asset management	<p>General landlord duties for all maintained schools; responsibilities under School Premises Regulations 2012 to ensure school buildings have appropriate facilities, the ability to sustain appropriate loads, safe escape routes, water, lighting, heating & ventilation to required standards. Management of asbestos risks.</p> <p>Management of individual maintained schools' capital projects.</p>
Redundancy costs in maintained schools	<p>Costs of redundancies (teaching and support staff) in Surrey maintained schools.</p>
Other	<p>Provision of information on maintained schools to or at request of government departments</p> <p>Investigation and resolution of complaints relating to maintained schools.</p> <p>Overheads relating to the above services and ensuring payments are made in respect of taxation, national insurance and pension contributions.</p>

Item 10
Surrey Schools Forum
10 December 2020
For decision

**Growing schools funding for mainstream schools for 2020/21 and 2021/22
(including criteria for the use of average pupil numbers in expanding schools)**

Summary

This paper provides an update on the growing schools budget for mainstream schools for 2020/21 and proposes criteria and budgets for 2021/22. The Forum has the right of approval of the growing schools budget and criteria. The Forum is asked to note the latest estimates for 2020/21 and to approve the proposed criteria and provisional budget for 2021/22, subject to update if necessary at the January meeting, when final 2021/22 funding data is available. No changes are proposed to the growing schools funding criteria in 2021/22.

Scope

The growing schools budget for 2021/22 funds pupil growth from September 2021 due to PAN increases or bulge classes, plus funding for eligible vacancies in extra classes and other related costs.

Growing schools funding is now allocated to LAs by DfE using a separate formula, outside the main schools national funding formula and based on pupil number growth in the previous year, **Surrey’s estimated 2021/22 allocation is £4.632m (2020/21:£5.538m)** reflecting an overall reduction in pupil growth. The formula is based on net pupil growth in small areas and does not distinguish between growth filling vacancies and growth requiring new places.

LAs are allowed to move funding between NFF allocations and the growth fund, indeed DfE guidance states that:

“We are not illustrating allocations of growth at school level and do not expect local authorities to necessarily use (the methodology used to fund LAs) to decide how much growth funding to allocate to individual schools. Local authorities should continue to make decisions about growth funding locally as they do now. We do not anticipate that local authorities’ spending on growth will necessarily match precisely the sum allocated to them for growth, and they will continue to have the ability to ‘top slice’ their overall schools block funding to fund pupil number growth”.

Schools extending age range (such as infant schools expanding to primary, or wholly new schools) must be funded on “average pupil numbers” ie the average of October 2020 and estimated October 2021 pupil numbers in 2021/22. The difference between the cost of average pupil numbers and the cost of using October 2020 pupil

numbers alone is a further cost to the growth fund, although schools receive this funding as part of their main formula budget share, rather than separately.

Current growing schools budget

The current state of the growing schools budget for 2020/21 is shown below, This has largely been updated for Oct 2020 census data. Initial estimates for 2021/22 are also shown. Updated estimates both for 2020/21 and 2021/22 will be provided at the January meeting if necessary, although, as ever, there will be much uncertainty for 2021/22 until place allocations for September 2021 are known.

<u>Growing schools budget</u>	2019/20 outturn	2020/21 initial	2020/21 Latest est	2021/22 Initial est
	£000s	£000s	£000s	£000s
New bulge classes/permanent PAN increases primary	857	1,040	761	933
Resources for new primary classes	288	300	166	72
Protected vacancies in existing bulge classes	1,407	785	721	785
Missing year groups (diseconomies of scale)	138	70	69	73
Secondary schools exceeding/raising PAN	1,829	2,098	1808	2,050
Others (possible commitments)		67	74	150
Prior year vacancy adjustments				
Contingency				
Pre opening costs of wholly new schools		100	50	50
	4,519	4,460,	3,649	4,113
Budget available		4,460	4,460	4,113
The available budget is calculated as shown below				
Estimated DFE growth allocation		5,556		4,642
Less cost of average pupil number growth		1,095		0.529
Available to fund growing schools (est)		4.460		4.113

It is currently anticipated that the overall cost can be contained within the available growth funding. The estimated growing schools cost excludes the cost of April-August funding for actual additional pupils in growth classes in academies, which is offset by deductions from funding recouped by ESFA. The estimates for 2021/22 also exclude any additional vacancy funding required when budgets for schools on average pupil numbers are adjusted from estimates to actuals, which is covered by savings arising from the associated reductions in formula funding

Further information on proposed criteria for growing schools funding

Annex A provides full details of proposed growing school criteria (other than pre opening funding) for those who are interested. The main categories of growing schools funding are:

- Funding for additional classes opening in September 2021 (annex A, part 1);
- Funding for resources for new classes in primary schools opening in September 2021 (annex A, part 2);
- Funding for protected vacancies in existing growth classes (annex A, part 3);
- Funding for missing year groups (or “diseconomies of scale”): (annex A, part 4);
- Additional funding for infant schools expanding to primary schools (annex A, part 5).
- Funding for notional vacancies in primary schools where an expansion accompanied by a change in PAN requires the school to run small classes during the period of reorganisation (Annex A, (part 6).
- Vacancy funding for a school simultaneously increasing PAN across several year groups (Annex A part 7)

Use of average pupil numbers for schools extending age range

Where a school is extending its age range (eg infant converting to primary, or wholly new school opening one year group at a time), the additional pupils in the new year groups must be funded by using average pupil numbers (ie $5/12 \times$ Oct 2020 actual plus $7/12 \times$ Oct 2021 estimate) rather than via growing schools funding. Such schools will still receive growing schools funding for resources, missing year groups etc.

Where the PAN of such a school is not changing, we propose that average pupil numbers should be used only for the expanding phase (infant, junior or secondary) rather than for the whole school. Thus, for an infant school expanding to a primary school, actual Oct 2020 pupil numbers would be used for all infant year groups, and average numbers for all junior year groups. For a secondary school in this position, average pupil numbers would be used for all secondary year groups.

Where a school is extending age range, and its PAN is changing, we propose that average numbers are used in the new phase, and also for those year groups in the old key stage which are affected by the change in PAN only. The logic is that a school on average pupil numbers should not gain or lose funding in year for a change which could have happened, and which would not have been funded, in any other school.

Annex B shows the schools where estimated average pupil numbers are expected to be used in 2021/22.

Where a school has been funded in part on estimated pupil numbers, and actual pupil numbers differ from the estimates, the DfE encourages LAs to adjust the school's funding from estimated to actual pupil numbers, but this adjustment must be made in the following year. Such adjustments have been made in Surrey since 2016/17 and we propose to make them again in respect of 2021/22 estimates. In some cases, this may require a change in vacancy funding, where the number of pupils in the oldest year group (which attracts vacancy funding) differs from the estimated number. Adjustments would be made only in respect of year groups to which estimated pupil numbers were used initially.

Pre opening funding for wholly new free schools

Where the LA runs a competition to provide a new mainstream free school, in order to meet a basic need requirement identified by the LA, it is expected to provide funding for pre opening costs and is required to advise potential bidders of the revenue funding which will be available to meet pre-opening costs. These costs are met from the growth fund and therefore the basis of funding requires the approval of Schools Forum.

In December 2018, the Forum agreed that a lump sum of £100,000 could be made available to proprietors of wholly new primary free schools, established in response to a competition run by the LA, to meet revenue pre-opening costs. This would cover, or contribute to, costs of early appointment of staff and non capital resources costs, including resources for non classroom accommodation. It is possible that some such costs may be incurred in 2021/22 and thus a contingency of £50,000 is recommended.

For the avoidance of doubt, this funding would not apply to free schools established by the "centrally determined" route, whereby potential proprietors apply directly to the DfE to open new free schools.

Funding rate for additional pupils in bulge classes or additional pupils due to an increase in PAN

It is proposed that in 2021/22 the funding rate for eligible schools continues to be the average pupil led funding for that school (including minimum per pupil funding, minimum funding guarantee and ceiling, where applicable), less de-delegation and central services levy for maintained schools. Thus the funding rate will be increased to include funding formerly delivered separately through the teachers' pay and pension grants.

Funding rates for vacancies in eligible primary classes

We are proposing that the funding rate for existing vacancies should change to reflect the proposed changes in basic entitlement funding and in the levels of de-delegation and central services levy deductions. The same principles would be used as in previous years:

- 90% of net basic entitlement for vacancies in classes opened in or after September 2019 and agreed after January 2019
- 100% for other eligible infant vacancies and 95% for other eligible junior vacancies.

We expect the cost of funding vacancies to fall as the increased pupil numbers move from primary (in which vacancies in some new classes are funded) to secondary (in which they are not);

Recommendation

That the Forum:

- * notes current estimates for growing schools funding for 2020/21;
- * agrees the proposed criteria for growing schools funding for 2021/22 (summarised above and described in Annex A);
- * agrees the provisional growing schools budget for 2021/22
- * supports the proposed methods for the use of average pupil numbers for schools changing age range
- * agrees the proposals for advance funding of pre opening costs of wholly new primary schools;

Growing schools funding affects the future funding of individual schools and potentially the value of mainstream formula factors. Therefore officers recommend that only representatives of maintained schools, academies and PVI early years providers (who are allowed to vote on mainstream formula funding issues) should be allowed to vote on this item.

David Green

Annex A: Details of proposed growing schools criteria for 2021/22: existing schools

1 Additional classes opening in September 2021 (both primary and secondary)

Where the LA has requested a school to open an additional class above its PAN or supports its opening (or an increase in PAN of ten or more is supported by the LA), actual pupils admitted above the old PAN (or above the number of pupils in the leaving year group, if higher) would be funded at the average pupil led funding rate for the school (including share of minimum funding guarantee or ceiling deduction and/or minimum per pupil level funding, if any) x 7/12 for the part year. Thus the pupils would be funded at 7/12 of the rate which they would have received had they been on roll in October 2020. For maintained schools, funding would be net of any de-delegated amounts and central services levy. The original allocation would be based on an estimate and would be corrected to actual pupil numbers at the end of the year. (This would include any additional classes within the school's existing age range -whether bulge classes or increased PAN - but would exclude additional classes due to an extension of age range, which must be funded through use of average pupil numbers in the main formula, see above). In some circumstances vacancies may attract funding, but at a lower level than actual pupils (see below).

Additional funding would not be allocated to schools exceeding PAN on appeal or admitting excepted infant pupils or to schools adding additional classes which were not supported by the LA or otherwise exceeding PAN without the support of the LA).

For an academy, the minimum funding guarantee and ceiling would be calculated from the LA formula, which may sometimes give a different result to a calculation based on the general annual grant allocation.

2 Resources allocations for new classes (primary sector only)

£8,000 per new class is allocated for classroom resources. For the avoidance of doubt this only applies where a school is asked to provide additional places such that the number of classes is increased. Additional resources funding is not provided for small increases in PAN. This applies to bulge classes and to permanent expansions (whether increases in PAN or extensions of age range).

A further £8,000 for resources will normally be allocated where an existing year 2 bulge class moves into year 3.

Where one bulge class leaves in July and another is admitted in September, no additional resources funding will be allocated.

Where a school is expanded permanently, the resources allocation given will be based on the number of additional classes created, excluding any bulge classes which have already received resources allocations.

Resources allocations are provided whether the additional classes are funded through growing schools fund or through use of average pupil numbers.

Where a school expands by half a class a year (eg PAN 45 to PAN 60, or infant school expanding to PAN 15 primary school), resources funding will be allocated in alternate years only.

3 Funding for protected vacancies in bulge classes or following permanent expansion (primary sector only)

Where a primary school is asked to increase PAN, or exceed PAN temporarily, in any year group by ten or more, vacancies in the relevant year group may attract funding. Where due, vacancy funding will be calculated up to the next multiple of 30 for each year group (except where old or new PAN implies vertical grouping). For schools with PAN=15, vacancies will be calculated against year groups of 15.

For extra infant classes resulting from expansions starting before September 2019 the protected vacancy funding would be at the basic entitlement rate less de-delegation and central services levy. For academies it is the basic entitlement rate less £15.93 per pupil. For expansions starting after September 2019, vacancy funding would be at 90% of the above.

For extra junior classes resulting from expansions starting before September 2019, the rate would be 95% of the basic entitlement rate less deductions as above. For extra junior classes resulting from expansions starting after September 2019, the rate would be 90% of basic entitlement rate less deductions as above. Vacancies would only be funded at key stage 2 where an additional class was necessary to avoid class sizes exceeding 34. Protected funding would normally last for three years for a year R bulge class and four years for a bulge class/permanent expansion first admitted at year 3. It would not automatically follow through from key stage 1 into key stage 2, although Schools Forum has previously approved an exception for schools within the 20% most deprived by FSM and which have ten or more vacancies in key stage 2 bulge classes. In these schools key stage 2 vacancies above the first ten are funded and we recommend that this special arrangement continues.

If a school has a PAN of 15, eligible vacancies will be calculated against 15 in any year group.

Where a bulge class already exists at 1 April, continued vacancy funding would only be payable from September if it appeared at the end of May that pupil numbers were such that the bulge class would still be required in September.

Vacancy funding is not available where the school exceeds PAN without the support of the council. Sometimes an expansion may be approved or supported on the specific understanding that vacancy funding will not be made available.

Where a school increases PAN permanently, vacancy funding would be given for three consecutive years' intakes in total, including any bulge year groups admitted immediately before the change in PAN. So, for example, a school admitting one bulge class immediately prior to an increase in PAN would receive vacancy funding for the bulge class and then for the first two intakes following the PAN increase. A school admitting three bulge classes immediately before an increase in PAN would receive no vacancy funding for the first year group admitted after the increase in PAN. Vacancy funding in a primary school which increases PAN would apply only to the infant year groups.

Again the proposed arrangements are the same as in 2020/21.

When calculating the number of vacancies to be funded in a year group, pupils in SEN centre places are ignored if the SEN centre places are over and above the normal PAN.

The LA will reserve the right to review vacancy funding if it becomes clear that an additional class is no longer required and at that point the school has not committed to employ a specific teacher, or if the additional class does not actually exist.

4 Missing year groups or diseconomies of scale funding for schools expanding age range

Maintained schools receive £12,500 per academic year per missing year group and academies/free schools receive £13,500 per academic year per missing year group. This is the equivalent of the DfE's "diseconomies of scale" grant for wholly new schools. Free schools will only receive this funding from the LA if they are established to meet basic need following a competition run by the LA. The ESFA will provide this funding to other free schools directly. The lower rate for maintained schools reflects the additional LA support normally available free to maintained schools

PAN 15 primary schools will receive diseconomies funding at half rate, reflecting their smaller size when the expansion is complete.

5 Infant or junior school expanding to become primary school

£4,000 to be provided for supply cover/other support for a key stage lead for the new key stage, for curriculum preparation, in the term before year 3 (Or year R as appropriate) is admitted. This is not expected to be needed in 2021/22.

6 Primary schools where a reduction of less than 30 in PAN is required as part of an expansion of age range

Where schools need to maintain vacancies temporarily as a result of a reduction of less than 30 in PAN as part of an extension of age range, the “notional “ vacancies thus created will be funded at the normal vacancy rate for that age range. So, for example, a school reducing PAN from 70 to 60 may have to run three infant classes for the last year group of 70, and would attract vacancy funding for the 20 places in those three classes which it would not be allowed to fill.

7 School simultaneously increasing PAN across several year groups (Bisley CE Primary School)

Vacancy funding to be provided for three years for the first three intakes to exceed the old PAN of 45, rather than for the first three larger year R intakes. In practice this means September 2018 year R, September 2018 year 2 and September 2017 year 3 would each receive vacancy funding for three years from those dates and so this arrangement is still relevant in the summer term of 2021.

Annex B Growing schools requiring funding on estimated pupil numbers in 2021/22

	New year group
Hatchlands Primary School	3
Westvale Park Primary Academy	1
Chertsey High School	11
Merstham Park School	10