



Papers for Schools Forum meeting 8 December 2022

Item 6

Surrey Schools Forum

8 December 2022

For decision

Lead officer: David Green

Former combined services funding

Summary

For several years the LA has delegated a sum to schools from the historic commitments allocation of the Central schools services block budget. This is outside the NFF, and the LA are not required to delegate this funding to individual schools. The funding is being gradually phased out by DfE and the value of Surrey's allocation in 2023/24 is 80% of the 2022/23 value.

Background

For some years the LA has received a sum within the Central schools services budget for "historic commitments" and since 2018/19 this sum has been delegated to schools (although in 2022/23 it was actually sourced from another budget), as the historic contractual commitments for which it was originally allocated had ceased some years ago. This sum is outside the NFF and the LA has not been obliged to delegate it to schools.

The estimated funding for 2023/24 is £0.445m (compared to £0.556m in 2022/23) and historically it has been delegated via a separate formula linked to former devolved confederation funding (primary schools only) and a per pupil allocation (both primary and secondary). However, in recent years DfE has required this sum to be included in MPPL and MFG calculations, which has meant that around half of the separate formula allocations to schools has been offset by MFG and MPPL reductions, and the difference has then been used to support the main funding formula. This has meant that schools on MFG or MPPL have seen no benefit from the additional funding. There has also been a historic anomaly in that former confederation funding has been over and above the NFF for primary schools since delegated, whereas for secondary schools (where it was delegated in 2013/14) it was already within the NFF baseline for individual schools in 2018/19 and thus is no longer over and above NFF. The DfE is reducing the historic costs allocation year on year.

In order to create equity between sectors and start the transition to the direct NFF (which will not allow the LA to delegate additional funding in this way), the LA is proposing to delegate 50% of the net funding (£125k) in 2023/24 (net of MFG and MPPL savings) with the intention to cease delegating in 2024/25. The sum delegated in 2023/24 will be allocated by the same method as in 2022/23.

The Forum is asked to support this proposal

Item 7

Surrey Schools Forum

8 December 2022

For decision

Lead officer: David Green

Proposed Central Schools Services Block budgets 2023/24

The Central Schools Services Block (CSSB) 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 services are statutory responsibilities of the LA both for maintained schools and academies, and there is no expectation that this funding is delegated to schools. 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 if the Forum refuses.

The value of Surrey's central schools services block funding allocation (excluding historic commitments) is expected to increase by £132,000 in 2022/23, before allowing for the impact of changes in pupil numbers. The CSSB also includes a "historic commitment" allocation of £556,544 in 2022/23, which reduces by £111,000 in 2023/24 (see item 6).

The 2022/23 budgets and proposed 2023/24 budgets for the central schools services block are shown in the table below.

Table of CSSB budgets (actual and proposed)

	2022/23 £000s	2023/24 £000s
Services		
Admissions service team costs and overheads	1,753	1,753
Admissions appeals: community schools	258	212
Devolved admissions appeals funding	230	230
Schools Forum running costs	26	26
Copyright licences (sum charged by DfE-allow 10%,no data yet available on 2022/23 costs)	806	886
EYES support/Children Missing Education		<u>191</u>
Total excluding former retained ESG functions	<u>3,073</u>	<u>3,298</u>
Former Retained ESG functions (DSG funded part)		
Education welfare	1,395	1,395
Asset management	52	52
Contribution to statutory/ regulatory duties (for all schools)		
IT, SACRE	180	180
Head of service/other leadership (part)	165	165
Partnership role incl school relationships (part)	165	165
Finance (Schools Funding service budgets)	162	162
Phase council supply cover	30	30

Total former retained ESG services	2,149	2,149
	2022/23	2023/24
	£000s	£000s
Teachers' pay and pension funding for centrally employed teachers (assimilated former grant)	557	557
Total CSSB costs excluding historic commitments	5,779	6,004
Estimated CSSB allocation excluding historic commitments	5,872	6.004

The increase in copyright licence costs is dictated by the DfE and the final figure is unlikely to be known before late December/January. It has been estimated at a 10% increase (roughly in line with inflation).

£0.191m is required to support the new EYES system to ensure that it can function properly, providing an education management system and a single view of a child. In addition, the increasing demands on the Inclusion Service requires additional resource to ensure it can provide a level of service commensurate with our duties and ambitions for children.

Funding for the increased cost of teacher pension contributions for centrally employed teachers, which was provided by separate grants in 2020/21, has been included in the CSSB since April 2021.

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 over the years 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.

(This is a decision for all members of Schools Forum)

David Green

Item 8

Surrey Schools Forum

8 December 2022

For decision

Lead officer: David Green

Maintained schools' budget deductions ("Central services levy") for 2023/24

The local authority (LA) has a number of responsibilities for maintained schools which until September 2017 were funded by Education Services Grant (ESG)(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 by budget deduction from their maintained schools. The deduction must be a sum per pupil (or a sum per place for maintained special schools and pupil referral units) and must apply to all sectors. It is known in Surrey as the "central services levy", to distinguish it from "de-delegation" which applies to some other services, and which covers only maintained primary and secondary schools. The deduction ceases as schools convert to academy status and the LA's responsibilities then pass to the academies. Most Multi Academy Trusts (MATs) recover similar 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 the Forum refuses.

Annexes A and B show the functions for which the LA is permitted to levy maintained schools. Annex C shows the proposed deductions for 2023/24 compared to the initial proposals for 2022/23.

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

The proposed deduction has been divided into three components:

- £35.98 for services other than school improvement. This is the same rate as in 2022/23). However, following a review of these services, we may need to ask for a small increase in the per pupil rate deduction in future years;
- £6.50 contribution to the cost of statutory school improvement. DfE will be withdrawing the Monitoring and Brokering Grant from the end of this financial year (2022/23), having reduced it by 50% from 2021/22 to 2022/23. This grant was used largely to provide statutory School Improvement Services which, in Surrey, are primarily delivered through Schools Alliance for Excellence (SAfE).

For 2022/23, Schools Forum agreed to maintained schools making a contribution of £6.50 per pupil to support the 50% of these costs which were no longer covered by grant. The schools contribution for 2023/24 is proposed at the same level as in 2022/23. despite the loss of the remaining school improvement monitoring and

brokering grant in 2023/24. This will mean that the LA will bear 58% of the cost of these services, with the school contribution meeting 42%.

- £8.75 funding for additional (ie non statutory) school improvement work, at the same rate per pupil as in 2022/23. In 2022/23 this was refunded to secondary and special schools and pupil referral units.

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 other than school improvement
- £6.50 per pupil/place for statutory school improvement services,
- £8.75 per pupil/place for additional school improvement services

David Green

Annex A LA Responsibilities to Maintained Schools within the scope of the central services levy (except school improvement)

Financial monitoring and administration

- Payment of funding tranches to maintained 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 (CFR) 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

HR

- 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

Governance

- 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 and access to training and development opportunities.
- Two Chairs of Governors liaison and briefing meetings are provided per term. Clerks' Briefings are organised on a termly basis (traded service).
- Additional Skills Governors are recruited, trained, and deployed to schools

Monitoring national curriculum assessment

The LA has statutory obligations relating to assessment for maintained schools as directed by the Standards & Testing Agency (STA). These include:

National Curriculum Assessment

- 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)

- 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 administration

- Provision of accurate information to the Teachers Pensions Agency thereby ensuring accurate deductions are made and accounted for and pension entitlements are protected.
- Resolving queries and tracking staff as they enter and leave the scheme.

Schools' strategic risk management

*Includes compliance with duties under the Health & Safety at Work Act.

*Updates on regulatory & legislation changes via School Bulletin and SRM Health & Safety newsletter

*Unlimited access to telephone and email support

*Provision of Oshens – online accident reporting system

*Provision of Evolve – offsite trips website

*Support with accident investigations and RIDDOR reporting

*Fire safety advice and support with fire risk assessments

*Radiation Protection Advisor (RPA) for secondary schools

*Membership of CLEAPSS for Science / DT H&S advice and membership of ROSPA

Facilities management

- 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

- 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.
- Management of individual maintained schools' capital projects.

Redundancy costs in maintained schools

- Costs of redundancies (teaching and support staff) in Surrey maintained schools.

Other

- Provision of information on maintained schools to or at request of government departments
- Investigation and resolution of complaints relating to maintained schools.
- Overheads relating to the above services and ensuring payments are made in respect of taxation, national insurance and pension contributions.

Annex B Proposed school improvement duties for which central services levy deductions are proposed

Statutory school improvement work

- Risk assess all maintained schools through scrutiny of information, a school Key Skills Needs Analysis and a programme of 'check-up' visits to schools
- Support and challenge schools causing concern and at risk – currently SAfE supports 40 S&C schools
- Broker support from good and outstanding schools to those at risk
- Proactively support schools due to be inspected – currently SAfE has a programme of support for infant, junior and primary schools due to be inspected
- Support schools through inspections
- Support maintained schools with recruitment of headteachers
- Provide advice and guidance to all schools
- Provide support to schools on improving outcomes for the most vulnerable pupils including disadvantaged pupils
- Ensure a rich and relevant programme of support for schools is in place (though the programme is not funded through the grant)

Additional (i.e. non statutory) school improvement work

- Work previously funded through the intervention fund including additional school improvement and leadership support to “support and challenge” schools, funding interim leadership support where schools cannot afford it, additional targeted support and targeted projects depending on current need

Annex C Table of Budgets for statutory LA services to be funded from the central services levy

	2022/23 Levy reported to Schools Forum 7 Dec 2021 /Jan 2022 (£000s)	2023/24 Estimated levy (£000s)
Statutory/regulatory duties		
Finance	292	251
Governance	60	60
HR	179	215
Monitoring national curriculum assessment	94	94
ICT (mainly data collection)		
Teachers pensions admin	229	229
Facilities management (incl trees)	105	87
Schools risk management (part -not all DSG funded)	203	203
Asset management		
Basic need capital projects, asset management, site surveys, commissioning etc		
Property schools basic need	385	520
	470	470
New redundancy costs in maintained schools		
Total required (except school improvement)	2,011	2129
Reduction to find		-257
Estimated levy at £35.98 per pupil		1,872
Estimated pupil numbers (based on estimated Oct 2021 /Oct 2022 census less allowance for future academy conversions)	57,823	52,022
Estimated levy for statutory school improvement (based on £6.50 per pupil and the same pupil numbers as above)	376	338
Estimated levy for additional school improvement (based on £8.75/pupil)	505	455
Of which primary schools (because refunded in 2022/23 to others)	409	388

Item 10

Surrey Schools Forum

8 December 2022

For decision

Lead officer: David Green

Growing schools funding for mainstream schools for 2022/23 and 2023/24 (including criteria for the use of average pupil numbers in expanding schools and in schools reducing PAN or losing bulge classes)

Summary

This paper provides an update on the growing schools budget for mainstream schools for 2022/23 and proposes criteria and budgets for 2023/24. The Forum has the right of approval of the growing schools' budget and criteria. The Forum is asked to note the latest estimates for 2022/23 and to approve the proposed criteria and provisional budget for 2023/24, subject to update if necessary at the January meeting, when final 2023/24 funding data is available. A few criteria have yet to be resolved and an update will be given at the January meeting.

Scope

The growing schools' budget for 2023/24 funds pupil growth from September 2023 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 2023/24 allocation is dependent on the October 2022 school census and will be reported at the meeting, if final census data is then available. It is expected to be lower than the 2022/23 allocation of £4.895m, 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 2022 and estimated October 2023 pupil numbers in 2023/24. The difference between the cost of average pupil numbers and the cost of using October 2022 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.

In its recent consultation on moving to a hard (or direct) national funding formula, DfE made clear that it expects to reduce local authorities’ flexibility in funding growing schools in future years, although specific details have not been made available, no timescale was given, and DfE has not proposed any changes in 2023/24.

Current growing schools’ budget

The current state of the growing schools’ budget for 2022/23 is shown in the table below. Updated estimates both for 2022/23 and 2023/24 will be provided at the meeting (subject to the availability of full October 2022 census data) and also at the January meeting if necessary, although, as ever, there will be much uncertainty for 2023/24 until place allocations for September 2023 are known.

Table: Growing schools budgets 2021/22-2023/24	2021/22 outturn	2022/23 Jan 2022	2022/23 Latest est	2023/24 Initial est
	£000s	£000s	£000s	£000s
New bulge classes/permanent PAN increases primary	709	628	TBC	TBC
Resources for new primary classes	88	72	TBC	TBC
Protected vacancies in existing bulge classes	928	518	TBC	TBC
Missing year groups (diseconomies of scale)	73	81	TBC	73
Secondary schools exceeding/raising PAN	1,732	2,183	TBC	TBC
Others (possible commitments)		298		TBC
Prior year vacancy adjustments				
Contingency				
Pre opening costs of wholly new schools				TBC
Total estimated cost	3,530	4,094	TBC	TBC
Budget available	4,095	4,341	TBC	TBC
The available budget is calculated as shown below				
Estimated DfE growth allocation	4,716	4,891	TBC	TBC
Less cost of average pupil number growth	621	550		
Available to fund growing schools (est)	4,095	4,341		
Less loss if average pupil number disapplications not approved				
Available if disapplications not approved				

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 2023/24 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.

The net cost of average pupil number adjustments for growing schools or schools losing bulge classes affects the growth fund and therefore the funding available for growth in 2023/24 will be reduced if the DfE refuses Surrey's disapplication requests in respect of schools losing bulge classes and schools reducing PAN.

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 2023 (annex A, part 1, minor change proposed). The LA is looking at issues affecting schools which are exceeding PAN where they have recently reduced PAN and issues where there is growth above PAN after Oct census date);
- Funding for resources for new classes in primary schools opening in September 2023 (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).

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 (i.e. $5/12 \times \text{Oct 2022 actual}$ plus $7/12 \times \text{Oct 2023 estimate}$) 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 2022 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 affected funding, in any other school.

Annex B shows the schools where estimated average pupil numbers are expected to be used in 2023/24.

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 2023/24 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 in the 2023/24 budget.

Use of average pupil numbers where bulge classes leave or where there is a reduction in PAN

Where a bulge class leaves a primary school, the LA has normally funded it for the summer term only in the year in which it leaves, by using "average pupil numbers" to fund the school in that year, although this requires annual approval from the Secretary of State. An update on this year's disapplication requests will be given at the meeting if possible.

The LA has also applied to use average pupil numbers to fund schools losing pupils at the end of summer term 2023 as a result of PAN reductions, as reported at the October meeting. Again an update will be provided at the meeting if possible.

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 not currently anticipated that any such costs will be incurred in 2023/24 and therefore no budget has been provided.

For the avoidance of doubt, this pre opening 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. The DfE makes an allocation to these schools to cover pre-opening costs.

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

It is proposed that the 2023/24 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 and a small adjustment for academies. This means that the funding which a school receives for growth is much the same whether it is provided as growth funding outside the formula, or by using average pupil numbers within the formula. The funding rates are proposed to increase compared to 2022/23 due to the assimilation of schools supplementary grant.

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

We expect the cost of funding vacancies to continue 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 2022/23;
- * agrees the proposed criteria for growing schools funding for 2023/24 (summarised above and described in Annex A, note in particular proposed changes);
- * agrees the provisional growing schools’ budget for 2023/24;
- * 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.

Annex A: Details of proposed growing schools criteria for 2023/24: existing mainstream schools

1 Additional classes opening in September 2023 (both primary and secondary)

Where the LA has requested (or supports) a school to open an additional class above its PAN or exceed PAN by ten or more (or an increase in PAN of ten or more is supported by the LA), actual pupils admitted above the highest of

- The PAN
- the number of pupils in the leaving year group,
- the PAN ruling at the date the leaving group was admitted

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 extra pupils would be funded at 7/12 of the rate which they would have received had they been on roll in October 2022. 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.

The LA is still considering a few situations where a school may exceed a PAN which has only recently been reduced, and issues where a school needs to exceed PAN after October census date.

Where exceptionally a new school could not admit at its official PAN for the year now leaving, because of accommodation limitations, the agreed (lower) effective PAN for that year will be used instead of the official PAN. (Proposed change)

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. 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 2022/23.

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 (former infant school) or year R (former junior school) is admitted.

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 leading to overall growth in the school, 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.

Annex B Growing schools requiring funding on estimated pupil numbers in 2023/24

School	New year group
Hatchlands Primary School	5
Westvale Park Primary Academy	3
St Peter and St Paul CE Infant School	4
Heathside Walton	8

Item 12

Surrey Schools Forum

8 December 2022

For information

Lead officer: David Green

Arrangements for payment of government grants to schools for 2023/24

The LA is expected to consult the Schools Forum annually on the administrative arrangements for central government grants. However, most central government grants allocated to schools (other than Dedicated Schools Grant) are allocated on the basis that the LA passes on to individual maintained schools the sums specified by the DfE. The LA therefore has no discretion as to how they are allocated. Academies usually receive the corresponding grants directly from DfE.

The LA role is therefore to advise the schools of the school level allocations of individual grants (which is normally done by adding them into the first monthly funding transaction report following notification by DfE) and where appropriate to pass on a corresponding cash allocation. Conditions of the use of grants by maintained schools are usually published by DfE and schools are expected to comply with that guidance.

The Forum is invited to discuss the arrangements if it sees the need.