Papers for Schools Forum meeting 7 December 2021

Item 7

Surrey Schools Forum

7 December 2021

For noting and discussion

Leads: Liz Mills/Chair

Proposal to establish an Innovations Fund

Summary

Following the September consultation with all schools It was proposed at the November meeting of the Schools Forum that 0.5% (£3.6m) be transferred from the Schools Block DSG to the High Needs Block DSG, to create an Innovation Fund**.**

The Forum voted in support of the proposal. However, it was agreed that the outcome was too close to take a definitive decision but was taken as an indicative decision by the Chair that the forum was broadly in favour of the proposal

Working group

The Schools Forum agreed that a working group should be established to explore the development of an Innovation Fund the Forum tasked the working group with the following tasks.

1. To consider the governance of the Innovation Fund
2. To engage a group of school leaders
3. To identify and acknowledge the culture shift required to support new ways of working
4. To report back to the Schools Forum at their next meeting in December, when a new vote on the proposal would take place.

Process of working together

The working group which consisted of 18 school leaders and 5 officers met on three occasions.

Meeting 1 - The working group undertook a SWOT analysis to capture ambition, aspirations, and concerns regarding the proposal. In addition, several principles were identified for working together. The SWOT was presented to and shared with the primary and the secondary phase councils.

Meeting 2 - The SWOT analysis was updated following feedback from the working group members and at the meeting verbal updates were received from colleagues. The principles, ambitions and purpose of the Innovation Fund were discussed. In addition, how the fund could be used and the governance arrangements for overseeing the fair distribution of the fund was debated.

Meeting 3 - The final meeting focussed on outcomes, risks and mitigations and reflected on the 3 meetings and the framework arrived at.

(The output from these 3 sessions is contained in the PowerPoint presentation attached to this report.)

Framework for the development of an Innovation Fund

The open, frank, and transparent discussion between heads over the three meetings has provided a framework for the development and the use of fund. Colleagues made the following points.

1. The fund and its development need to be as close to schools as possible through a locality level model which is led by schools.
2. The fund should be used to address a small number of tangible issues. A thematic approach was suggested – ideas mooted included a focus on the inclusion of children and young people **with Autism** and /or supporting inclusion at key stage transition.
3. The allocation of funding should not be through a bidding process.
4. The innovation fund and **its** development should be underpinned by a set of principles that demonstrate**.**
    a. the importance and the value of collaboration between schools
    b. working together for the collective good
    c. regular checks on readiness to proceed
    d. the recognition that different schools face different challenges
    e. inclusion is not just SEND and/or EHCPs
    f. the need for consistency in practice and approach
5. It is important that the development of the fund is informed by robust and comprehensive data which enables the development of locality profiles which is informed by data such as FSM, pupil premiums, EHCPs, attendance linked to anxiety, outcome of SAFE reviews of SEND, size of schools – proportionality.
6. Wherever possible to align activities and projects at a local level to support initiative and resource mapping.

It was stated by those involved that the proposal was complementary to many of the activities already taking place, including the Inclusion Round Table, Team Around the School (TAS), SALP and EIF. It was felt the proposal was exciting and a powerful way to bring about system and cultural change in small steps.

It was agreed that within the context of the above with reference to the output of the sessions attached that the following recommendations should be made to the School's Forum.

Recommendations

1. An innovation fund should be established by transferring 0.5% of the School's Block to the High Needs Block **- £3.6m**
2. The monies should be always be retained for school use in all circumstances. Monies not used should be carried forward to the next year of the project or returned to the school's block if the project is ceased. (Ring fenced). Cabinet has approved that if the block transfer is agreed it is carried forward for the same purpose.
3. Governance should be schools led and based on localities.

4. An independent chair will head a central board which will monitor and oversee the allocation of resources.
5. The spring and summer terms will be used to plan for the launch of the project in the autumn term.

Item 10
Surrey Schools Forum
7 December 2021
For decision
Lead officer: David Green

Proposed Central Schools Services Block budgets 2022/23

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 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 if the Forum refuses.

The value of Surrey's central schools services block funding allocation (excluding historic commitments) is expected to reduce by £61,000 in 2022/23, before allowing for the impact of changes in pupil numbers (which might well offset that reduction).

The 2021/22 budgets and proposed 2022/23 budgets for the central schools services block are shown in the table below. No major changes are proposed compared to 2021/22 but there is some realignment between services reflecting updates to estimates

Table of CSSB budgets (actual and proposed)

	2021/22 £000s	2022/23 £000s
Services		
Admissions service team costs and overheads	1753	1753
Admissions appeals: community schools	258	258
Devolved admissions appeals funding	230	230
Schools Forum running costs	26	26
Copyright licences (sum charged by DfE)	775	806
Total excluding former retained ESG functions	3,042	3,073
Former Retained ESG functions (DSG funded part)		
Education welfare	1,395	1,395
Asset management	26	52
Contribution to statutory/ regulatory duties (for all schools)		
IT, SACRE	181	180
Head of service (part)	250	165
Partnership role incl school relationships (part)	165	165
Finance (Schools Funding service budgets)	224	162
Phase council supply cover	15	30
Total former retained ESG services	**2,256**	**2,149**

	2021/22 £000s	2022/23 £000s
Teachers' pay and pension funding for centrally employed teachers (assimilated former grant)	**600**	**557**
Total CSSB costs excluding historic commitments	**5,898**	**5.835**
Estimated CSSB allocation excluding historic commitments	5,898	5,837

The increase in copyright licence costs is dictated by the DfE and the final figure will not be known until January. It has been estimated at a 4% increase (same as last year). 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.

The CSSB also includes an allocation of £556,000 for "historic commitments" (reduced from £695,000 in 2021/22), but that has been delegated to individual schools since April 2018. The reduction was considered by Schools Forum ait 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 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

Central services levy on maintained schools 2022/23

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 deductions 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 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 the Forum refuses.

Annex A shows the functions for which the LA is permitted to levy maintained schools. Annex B shows the proposed deductions for 2022/23 compared to the initial proposals for 2021/22.

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

Proposed changes for 2022/23, including impact of school improvement grant consultation

For 2022/23 we are proposing to retain the levy for existing services at the same rate as in 2021/22, although some changes are proposed to the estimated costs of individual services. In November, the DfE consulted on proposals set out in "Reforming how local authorities' school improvement functions are funded". In these proposals the school improvement grant currently paid to local authorities will be paid at half rate in 2022/23 and withdrawn thereafter, and LAs will be expected to fund their statutory school improvement work from central services levy or general fund. The LA response to the consultation has been circulated to members of Schools' Forum. This would mean a loss of £400,000 to Surrey in 2022/23 and twice that in following years. The majority of this funding forms the contract with Schools Alliance for Excellence (SAfE) who deliver the Schools Causing Concern statutory duties on behalf of the LA. Therefore the LA is proposing an increase in central services levy of £6.50/pupil in 2022/23, subject to DfE proposals being implemented. The LA is likely to ask for this to be increased further in 2023/24, when the grant is expected to be withdrawn in full.

Additionally, the DfE is proposing that funding for additional (ie non statutory) school improvement work, should fall within the central services levy (ie deducted at the same rate from all schools) rather than being de-delegated as previously. Should this change

be implemented we would need to move current targeted school improvement and interim leadership funding from de-delegated to central services levy. This would mean that the deduction (agreed by Schools Forum on 7 October at £8.95/pupil for maintained primary schools) would be applied at the same rate to secondary and special schools, not just primary schools.

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, plus, if DfE implements the changes proposed in their recent consultation paper:

- An additional £6.50 per pupil/place (50% of the current cost of £13 per pupil/place) for statutory school improvement services,
- An additional £8.75 per pupil/place for additional school improvement services (replacing the de-delegated sum for the same services, approved by the Forum at its 7 October 2021 meeting, but applying to all maintained sectors).

David Green

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

Financial monitoring and administration

- 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

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.

Subject to current consultation-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)

Subject to current consultation-additional 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 B Table of Budgets for statutory LA services to be funded from the central services levy

	2021/22 Levy reported to Schools Forum 10 Dec 2020 (£000s)	2022/23 Estimated levy (£)
Statutory/regulatory duties		
Finance	292	292
Governance	60	60
HR	173	170
Monitoring national curriculum assessment	94	94
ICT (mainly data collection)	67	
Teachers pensions admin	229	229
Facilities management (incl trees)	105	105
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	351	385
New redundancy costs in maintained schools	470	470
	2,044	**2,011**

Estimated pupil numbers (based on estimated Oct 2021 census less allowance for future academy conversions)	57,378	57,823
Levy per pupil £	35.98	35.98
Amount raised £000s	2,065	2,080
Plus (subject to consultation outcome)		
Statutory school improvement		6.5
Additional school improvement		8.75

Item 11
Surrey Schools Forum
7 December 2021
For decision
Lead officer: David Green

Growing schools funding for mainstream schools for 2021/22 and 2022/23 (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 2021/22 and proposes criteria and budgets for 2022/23. The Forum has the right of approval of the growing schools' budget and criteria. The Forum is asked to note the latest estimates for 2021/22 and to approve the proposed criteria and provisional budget for 2022/23, subject to update if necessary at the January meeting, when final 2022/23 funding data is available. No changes are proposed to the growing schools funding criteria in 2022/23, although one change is proposed to the circumstances in which average pupil numbers are used.

Scope

The growing schools' budget for 2022/23 funds pupil growth from September 2022 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 2022/23 allocation is dependent on the October 2021 school census and will be reported at the meeting when it is hoped that final census data will be available. It is expected to be lower than the 2021/22 allocation of £4.632m**,** 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 2021 and estimated October 2022 pupil numbers in 2022/23. The difference between the cost of average pupil numbers and the cost of using October 2021 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 standardise the way in which growing schools are funded, although no timescale was given and no changes are expected in 2022/23.

Current growing schools’ budget

The current state of the growing schools’ budget for 2021/22 is shown in the table below. This has largely been updated for October 2021 census data. Initial estimates for 2022/23 are also shown. Updated estimates both for 2021/22 and 2022/23 will be provided at the January meeting if necessary, although, as ever, there will be much uncertainty for 2022/23 until place allocations for September 2022 are known.

Table: Growing schools budgets 2020/21-2022/23	2020/21 outturn	2021/22 Jan 2021	2021/22 Latest est	2022/23 Initial est
	£000s	£000s	£000s	£000s
New bulge classes/permanent PAN increases primary	660	1,080	720	TBC
Resources for new primary classes	176	80	88	TBC
Protected vacancies in existing bulge classes	797	886	914	TBC
Missing year groups (diseconomies of scale)	69	73	73	73
Secondary schools exceeding/raising PAN	1,673	1,970	1,970	2,050
Others (possible commitments)		45		150
Prior year vacancy adjustments				
Contingency				
Pre opening costs of wholly new schools	50	50		50
	3,425	4,094,	3,764	TBC
Budget available	4,428	4,095	4,095	TBC
The available budget is calculated as shown below				
Estimated DFE growth allocation	5,556	4,716		
Less cost of average pupil number growth	1,137	0.621		
Available to fund growing schools (est)	4,428	4.095		

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 2022/23 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 2022 (annex A, part 1);
- Funding for resources for new classes in primary schools opening in September 2022 (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 (ie 5/12 x Oct 2021 actual plus 7/12x Oct 2022 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 2021 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 2022/23.

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 2022/23 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.

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. So far this situation has not arisen for secondary schools, because bulge classes have only been admitted where they preceded permanent expansion. However, it is proposed that the policy is formally extended to secondary schools, in case a similar situation arises in future years, so that secondary schools can anticipate it. No adjustments are expected to be needed in 2022/23 for bulge classes leaving secondary schools.

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 2022/23 and thus a contingency of £50,000 is recommended.

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

II is proposed that in 2022/23 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. 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.

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 2021/22;

* agrees the proposed criteria for growing schools funding for 2022/23 (summarised above and described in Annex A);

* agrees the provisional growing schools' budget for 2022/23;

* 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 2022/23: existing mainstream schools

1 Additional classes opening in September 2022 (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 2021. 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. 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 2021/22.

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 needs 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.

Annex B Growing schools requiring funding on estimated pupil numbers in 2022/23

School	New year group
Hatchlands Primary School	4
Westvale Park Primary Academy	2
Merstham Park School	11
St Peter and St Paul CE Infant School	3
Heathside Walton	7

Item 12
Surrey Schools Forum
7 December 2021
For information
Lead officer: David Green

Falling rolls funding 2022/23

Summary

The LA is allowed to provide additional funding to good or outstanding schools facing a fall in pupil numbers, where the vacancies are expected to be required within the three years following the funding year (ie for 2022/23 they would be required by 2025/26). It must be emphasised that funding cannot be provided simply to assist schools with falling rolls, but only where there is likely to be an increase in rolls within the three following years. Any such funding would need to be found either from the growth fund or by reducing NFF formula factors and the criteria for such funding would require Schools Forum approval.

In recent years the LA has not provided such funding for schools, largely because:

- For the vast majority of schools currently experiencing falling rolls there is no reason to assume that rolls will increase within the next few years Current projections are for the number of year R children in almost every borough in Surrey to fall from 2023/24 onwards;
- Falling roll funding was made available to secondary schools a few years ago but it is difficult to apply fairly because of uncertainty over which schools in an area will actually benefit from future growth in pupil numbers. Places for secondary pupils are set to grow in the next few years .
- The vast majority of secondary schools have seen increases in KS3-4 pupil numbers in recent years.

Therefore the LA is not proposing to provide additional funding for temporary falls in rolls in 2022/23.

Under the government proposals for moving to a hard NFF, they propose to apply (unspecified) national criteria for falling rolls funding from an (unspecified) future date.

The Forum is asked to note the LA position.

Item 13
Surrey Schools Forum
7 December 2021
For information
Lead officer: David Green

Arrangements for payment of government grants to schools for 2022/23

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.

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