



## Papers for Schools Forum meeting 10 January 2025

### Item 4

#### Surrey Schools Forum

10 January 2025

For discussion (part) and decision (part)

Lead officers: Julia Katherine/David Green/Nikki Parsons

**Final Dedicated Schools Grant settlement for 2025/26 including high needs block update and CSSB funding**

### Summary

This paper summarises the 2025/26 Dedicated Schools Grant allocations, which were published by the Department for Education (DfE) on 18 December 2024.

### Background

The DfE announced the “final” Dedicated Schools Grant (DSG) settlement for 2025/26 on 18 December 2024, following a provisional announcement somewhat later than usual, in late November. The table below summarises the final 2025/26 DSG allocations (before deductions for academy recoupment or direct funding of academy places) and compares them with those for 2024/25. Please note that a number of specific grants are being assimilated into DSG in 2025/26.

**Table: summary of DSG changes between 2024/25 and 2025/26**

<b>DSG block</b>	<b>2024/25 (latest) £m</b>	<b>2024/25 Assimilated grants £m</b>	<b>2024/25 Incl grants £m</b>	<b>2025/26 18 Dec 24 £m</b>	<b>2024/25- 2025/26 Change £m</b>
National funding formula (NFF) schools	836.7	60.0*	896.7	895.8	-0.9
Central schools (CSSB)	6.7	0.6	7.3	7.3	0
High needs	225.5		225.5	241.0	15.5
<b>Total before Early Years</b>	<b>1,068.9</b>	<b>60.6</b>	<b>1,129.5</b>	<b>1,144.1</b>	<b>14.6</b>
Early years	138.6	0	138.6	202.4	Subject to update during the year
<b>Total including provisional early years</b>	<b>1,207.5</b>	<b>60.6</b>	<b>1,268.1</b>	<b>1,346.5</b>	<b>See above</b>

\*Note that the increase in schools block and CSSB between 2024/25 and 2025/26 includes the assimilation into DSG of the former teacher pay additional grant, teacher pension employer contribution grant and core schools budget grant, for mainstream schools including increasing the core schools budget grant from part year to full year value (estimated increase of £11.5m within the £60m shown) However, these grants will continue to be paid outside DSG in 2025/26 for special schools and pupil referral units, and in respect of independent special schools, although they will be consolidated into a single grant.

### **NFF schools block**

Most NFF (national funding formula) factor values have increased nationally by 0.5%, plus assimilation of grants. DfE estimates the increase in CSBG from part year to full year to be worth around 1.3% of school funding. Minimum funding guarantee and minimum per pupil funding levels have also increased due to assimilation of grant funding. The overall value of Surrey's Schools Block DSG reflects a reduction in funded pupil numbers in both primary and secondary sectors (average -0.8%) and a reduction in growth fund allocation due to reduced growth. Note that growth fund allocation is based on small area growth, so it is feasible to attract growth funding even though total pupil numbers have fallen.

Proposals for formula funding of mainstream schools, and for the growth fund and falling rolls fund, are set out in separate papers.

### **Central schools services block (local authority retained duties)**

This has been increased to include the full year impact of funding previously provided through teacher pension employer contribution grant and core schools budget grant. Proposals for allocation of the central schools services block are described in a separate paper.

### **High needs block**

The increase of £15.5m is made up of £13.6m increase in national formula funding based on the 2-18 population, in line with the 7% per head national minimum increase (with a 0.38% decrease in eligible population), plus £1.9m basic entitlement increase (amount per pupil in state maintained and independent special schools) due to an increase in the number of such pupils. The special schools minimum funding guarantee (the minimum average increase in place and top up funding per pupil) has been set at 0%.

### **Early years block**

Once again there is a large increase in the early years block, due largely to the full year impact of the funded entitlement for children aged 9 months-2 years of working parents (introduced from September 2024), and to the extension of the working parent entitlement (for children aged 9 months-3 years) from 15 hours/week to 30 hours/week from September 2025. The early years allocation is provisional, and will be updated during the year based on January 2025 and January 2026 census data (three and four year olds and two year olds receiving additional support) and on termly data collections

for the working parent entitlement for children aged 9 months-3 years. The hourly rates paid by DfE to Surrey increase as follows:

Hourly rates (£)	2024/25original	2024/25+EYBG	2025/26	% increase
3-4 year olds	6.77	6.82	7.08	3.81%
2 year olds	9.61	9.61	10.01	4.16%
9 months-2 yrs	13.04	13.04	13.62	4.45 %
Maintained nursery school supplement	6.05	6.5	6.67	2.81%
Early years pupil premium	0.68	0.68	1.00	47%
Disability access fund (per year)	910	910	938	3.1%

Early years budget grant (EYBG) was paid in respect of 3-4 year olds (and maintained nursery school supplement) from September 2024 to March 2025, largely in respect of increases in teacher pay. The percentage increase for 2025/26 is shown against the 2024/25 DfE hourly rates including early years budget grant.

Rates paid by Surrey to providers will be determined over the next few months, once current take up trends are clearer. **As ever, the basic hourly rates paid to providers (other than early years pupil premium) will be lower than the DfE rates**, because funding must be deducted from the DfE rates to fund early intervention fund, deprivation and other supplements and central costs. Year on year increases may differ from the DfE hourly rate increase in order to ensure affordability.

The level of permissible central spend had been reduced from 5% of funding to 4% for 2025/26, separately for each age range.

### **Reminder of the role of Schools Forum in respect of DSG**

The Forum has the right to:

- Approve the level of the growth fund budget and falling rolls budget (items 5 and 6)
- Approve the use of the centrally managed schools budget (item 8a)
- Be consulted on the proposed schools and early years funding formulae (final decision is for the local authority) (as above, and items 7 and 11)
- Be consulted on the proposed use of the high needs block. (see item 9 and other items at later meetings).

### **Recommendations**

That the Forum notes the updated DSG allocations and the updated high needs block position.

**Item 5**  
**Surrey Schools Forum**

**10 January 2025**

**For decision**

**Lead officer: David Green**

**Growing schools funding for mainstream schools for 2024/25 and 2025/26**

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 2024/25 and proposes criteria and budgets for 2025/26. The Forum has the right of approval of the growing schools' budget and criteria. The Forum is asked to note the latest estimates for 2024/25 and to approve the proposed criteria and provisional budget for 2025/26. Falling rolls funding is considered in a separate paper. No significant changes in criteria are proposed for 2025/26.

**Background to growing schools budget**

The growing schools' budget for 2025/26 funds pupil growth from September 2025 due to PAN (Published Admissions Number) increases or bulge classes, plus funding for eligible vacancies in extra classes and other related costs.

Growing schools funding is allocated to Local Authorities (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 2025/26 allocation is £2.372m, compared to £4.018m in 2024/25, reflecting a reduced level of pupil growth. The DfE formula is based on net pupil growth in small areas and does not distinguish between growth filling vacancies and growth requiring new places. There is also an allocation of £1.051m based on the number of small areas with falling rolls, use of which is considered in a separate paper.

LAs are allowed to move funding between NFF allocations and the growth fund (and separate falling rolls 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 for 2025/26 on “average pupil numbers” ie the average of October 2024 and estimated October 2025 pupil numbers, in the same way as in previous years. The difference between the cost of average pupil numbers and the cost of using October 2024 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.

### Growing schools’ budgets 2024/25 and 2025/26

The current state of the growing schools’ budget for 2024/25 and initial projections for 2025/26 are shown in the table below. As ever, there will be much uncertainty for 2025/26 until place allocations for September 2025 are known.

**Table: summary of growing schools budget 2024/25 and proposed budget for 2025/26**

<b>Table: Growing schools budgets 2023/24-2025/26</b>	2023/24 Outturn	2024/25 Jan 2024	2024/25 Latest estimate	2025/26 Initial estimate
	£000s	£000s	£000s	£000s
New bulge classes/permanent PAN increases primary	134	231	0	0
Resources for new primary classes	24	36	36	36
Protected vacancies in existing primary bulge classes	195	65	68	181
Missing year groups (diseconomies of scale)	76	72	72	76
Secondary schools exceeding/raising PAN	1758	1,743	804	992
Contingency for growth within existing PAN: primary		229		
Contingency for Growth within PAN: secondary, as rules were unclear		580*		
Pre opening costs of wholly new schools	0	0	0	0
<b>Total estimated cost</b>	<b>2,187</b>	<b>2,786</b>	<b>980</b>	<b>1,285</b>
<b>The available budget is calculated as shown below</b>				
Estimated DFE growth and falling rolls allocation	5934	4,611	4,611	3,423
Less 1% block transfer to high needs	-40	-46	-46	-34
Less cost of average pupil number growth and new school lump sum	-752	-1,239	-1,103	-1,122
Less cost of falling rolls allocation (see separate item)		-140	-140	-731
Prior year pupil number adjustment for schools adding year groups, funded on estimates	510			
Less to support mainstream formula	-2,000	-400	-800	-250
<b>Available to fund growing schools (est)</b>	<b>3,632</b>	<b>2,786</b>	<b>2,522</b>	<b>1,285</b>
<b>Overspend (underspend)</b>	<b>-1,465</b>	<b>0</b>	<b>-1,542</b>	<b>0</b>

\*But note that it was agreed in January 2024 that £400,000 of the contingency of £580,000 was unnecessary and it was distributed to all schools through the main funding formula in addition to the £400,000 already shown above as transferred. We are proposing that £250,000 from the DFE falling rolls fund allocation is distributed to all schools through the NFF in 2025/26.

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 academy formula funding recouped by ESFA.

### **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 2025 over and above current or previous PAN (annex A, part 1)
- Funding for additional classes where previous PAN was artificially restricted or had never been achieved (annex A, part 2)
- Funding for resources for new classes in primary schools opening in September 2025 (annex A, part 3);
- Funding for protected vacancies in existing growth classes (annex A, part 4);
- Funding for missing year groups (or “diseconomies of scale”): (annex A, part 5);
- Additional funding for infant schools expanding to primary schools (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 in the main formula (i.e.  $5/12 \times \text{Oct 2024 actual} + 7/12 \times \text{Oct 2025 estimate for 2025/26}$ ) rather than via growing schools funding. Such schools will still receive growing schools funding for resources, missing year groups etc.

Where a school is extending its age range and 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 2024 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 2025/26.

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 2025/26 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 in expanding primary schools) differs from the estimated number. Adjustments would be made only in respect of year groups for which estimated pupil numbers were used initially in the 2025/26 budget.

#### **Use of average pupil numbers for schools where bulge classes leave**

The LA is not proposing to adjust funded pupil numbers from the October 2024 census for any schools where bulge classes leave in July 2025.

#### **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 mainstream 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 2025/26 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 2025/26 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 2024/25 due to the assimilation of various specific grants into the NFF.

## **Funding rates for vacancies in eligible primary classes**

We are proposing that the funding rate for eligible existing vacancies (in bulge/expansion classes) 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).

## **Recommendations**

That the Forum:

- \* notes current estimates for growing schools funding for 2024/25;
- \* agrees the proposed criteria for growing schools funding for 2025/26 (summarised above and described in Annex A, (there are no significant changes)
- \* agrees the provisional growing schools' budget for 2025/26
- \* 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, should it be required
- \* agrees that all expenditure meeting the above criteria can be incurred during the year for any school meeting those criteria.



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 2025/26: existing mainstream schools**

### **1 Additional classes opening in September 2025 (both primary and secondary)**

Where the LA has requested 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 new PAN (if the additional class exceeds 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 2024. 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 for pupils admitted in excess of PAN on appeal or for 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 where the capacity was not required.

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.

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. This is likely to increase the number of pupils funded as growth.

### **2 Additional classes within PAN**

We would also fund as growth additional classes where

- a school has previously increased PAN and the leaving group would have been eligible growth when admitted had it exceeded the old PAN, but did not exceed the old PAN (we see this as deferred growth)

Eg infant school increased PAN from 30 to 60 in Sept 2020 but admitted only 25 pupils in September 2021 (below 30). If 60 pupils were admitted in Sept 2024 (replacing the leaving group of 25) 30 would be funded as growth, and thus the school would be funded for growth for three years (the same as the number of year groups) in total

- school has recently reduced PAN, with the support/agreement of the LA and is now exceeding the new PAN

We would treat as growth provided that the reduced PAN had operated for three years or more, and that there were not places available in other schools within the local area. The intention of the three-year restriction is to avoid schools seeking routinely to gain growth funding by means of frequent changes in PAN which are not expected to be sustained.

### **3 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). For the avoidance of doubt, it does not apply to any new classes funded as growth where the school has recently reduced PAN.

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.

### **4 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 basic entitlement less the same deductions.

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 the class was actually still required in September or 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 at year R would apply only to the infant year groups.

Again, the proposed arrangements are the same as in 2024/25.

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.

#### **5 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.

#### **6 Infant or junior school expanding to become a 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.

**Annex B Growing schools requiring funding on estimated pupil numbers in 2025/26**

**Table: growing schools requiring funding on estimated pupil numbers.**

	New year group	Pupils if full	Estimated cost for pupil numbers shown (7 months) £
Westvale Park Primary Academy	5	60	164,000
Meadowcroft Community Infant School	4	30	74,000
St Paul's CE Infant School	3	30	83,000
St Peter and St Paul CE Primary School	6	30	68,000
Heathside Walton	10	180	733,000
<b>Total cost met from growth fund</b>			<b>1,122,000</b>

All of these are subject to current formula funding assumptions, and subject to discussions on those at and after the meeting.

## **Item 6**

### **Surrey Schools Forum**

**10 January 2025**

**For approval**

**Lead officer: David Green**

### **Falling rolls funding for schools with temporary falls in roll in 2025/26**

#### **Summary**

The Forum is asked to approve a budget and criteria for falling rolls funding in 2025/26. Proposals vary from those previously approved by Schools Forum due to the impact of updating pupil numbers.

#### **Background**

Since 2024/25 the Schools Block of the Dedicated Schools Grant has included an allocation for falling rolls, based on the number of “middle super output areas” in which total primary or secondary pupil numbers in schools in the area (separately) has fallen by more than 10% between the most recent and previous October school census dates. Surrey’s allocation was £592,000 in 2024/25 and is £1.051m in 2025/26. Local authorities may, but need not, use this funding to support schools where the number of pupils has fallen in recent years and where the most recent school capacity (SCAP) survey shows that the places are likely to be required within the next three years (ie by September 2027 inclusive) as a result of an overall increase in pupils in the area. The LA may also use the funding for revenue costs of removing or repurposing surplus space, although no such proposals are being made for 2025/26. The allocations to schools must be updated annually based on the latest SCAP data, and thus schools cannot rely on allocations for future years.

In the September 2024 funding consultation, the LA proposed, and a majority of schools supported, proposals to provide additional funding in 2025/26 for primary schools where pupil numbers had fallen by more than 5% since October 2022 or October 2023 (whichever was higher), and which were in planning areas where sufficient overall growth was expected before September 2027 for the places to be required. Funding was proposed at 90% of basic entitlement x the fall in pupil numbers less the first 5%, subject to possible scaling back for overall affordability. Pupil losses due to bulge classes leaving would be excluded from the calculation, as would pupils in SEN centres over and above PAN. Funding was proposed at 90% of basic entitlement x the fall in pupil numbers less the first 5%, subject to possible scaling back for overall affordability. Pupil losses due to bulge classes leaving (or to reductions in PAN) would be excluded from the calculation, as would pupils in SEN centres over and above PAN. For consistency we now propose that any existing pupils over and above PAN should be excluded from the calculation, i.e. that the total number of vacancies funded would be capped at 95% of (current PAN x number of year groups-current NOR). This is because places over and above the current PAN are technically not still available to fill.

Where a school is eligible for falling rolls funding and has also seen an increase in sparsity funding, we would subtract the resultant increase in sparsity funding from the falling rolls funding, to avoid the vacancies being in effect double funded.

October 2024 pupil numbers in several of the previously identified growth areas are somewhat lower than indicated in last summer's pupil projections, and this would appreciably increase the cost of the original proposals, Therefore it is proposed to allocate £500,000 to fund schools meeting the criteria for falling rolls funding, and to determine the level of funding per eligible place to contain the cost within this sum, following review of the number of applications for September 2025. Earlier modelling showed that around 18 schools might benefit. The cost assumes that academies would be funded for the LA financial year (to be clarified).

### **Special case: Lakeside Nursery and Primary Academy**

Lakeside Nursery and Primary Academy relocated from its former site in Frimley to a new site on the Mindenhurst housing development (distance of 2.8 miles) from September 2023. The school was expected to suffer a consequential short term loss of pupils due to existing pupils moving to nearer schools. This was expected to affect funding from September 2024. On 8 December 2022 the Forum supported, in principle, vacancy funding for up to three years for pupil losses caused by pupils moving to other local schools, and for year R losses not due to general falls in pupil numbers in the area. Vacancy funding for three years had been a condition of regional director approval of the relocation. In January 2024 the Forum agreed a specific proposal for 2024/25 and the Forum is now being asked to approve the basis of funding for 2025/26, which is similar to the full year impact of 2024/25 funding.

The proposed basis for funding is to fund the number of year 2-6 pupils on roll in October 2024 less the number of year R-4 pupils on roll in Oct 2022 (245-189=56) for September 2025-March 2026 at basic entitlement rate, plus one year 1 pupil (net drop of four from Oct 2022 to Oct 2023 less increase of three in current year 1) at an estimated cost of £131,000.

For April 2025-August 2025 we would continue to fund on the same basis as from September 2024 ie

\*four year R pupils (difference between Oct 2022 and Oct 2023 year R)

\* 64 year 1-6 pupils (net fall in numbers between Oct 2022 and Oct 2023. In all year groups except year 6 the number of pupils identified as moving to nearby schools exceeded the net losses).

Total cost for April-August 2025 £100,201.

This school was seen as an exceptional case for falling rolls funding, due to the particular circumstances, ie relocation initiated by the LA.



No additional funding for year R is proposed for September 2025, on the basis that the fall in year R at Lakeside between October 2022 and October 2024 is no greater than the average for other schools in the area.

The estimated cost for 2025/26 is around £231,000 (subject to final agreement on 2025/26 units of resource).

The combined cost of the two “falling rolls” proposals is thus £731,000. The DFE falling rolls allocation was £1.051m, from which £70,000 was needed to balance the growth fund. This allows £250,000 to be distributed to all schools as additional funding in the main funding formula (see table in item 5).

### **Recommendations**

That the Forum agrees the proposed criteria for falling rolls funding for 2025/26, including the special case, and the proposed falling rolls budgets

That the Forum agrees to defer determination of the funding rate per eligible vacancy, until the number of September 2025 applications for primary places is known (in April 2025)

That the Forum agrees that funding may be allocated to schools meeting the above criteria without further approval.

**Item 7**  
**Surrey Schools Forum**

**10 January 2025**

**For support**

**Lead officer: David Green**

**Final proposals for Surrey mainstream schools funding formula for 2025/26, including disapplication requests and post 16 mainstream SEND place funding**

**Summary**

Now that the DfE has published final Schools Block DSG allocations for 2025/26 and 2025/26 pupil level data, the LA needs to set the value of individual formula factors and (if used) the levels of ceiling on per pupil gains, so that the local funding formula is affordable within available resources. The Forum is asked to support the LA's proposals for setting final formula rates and ceiling levels for 2025/26, plus proposals for some other related issues.

**Background**

Nationally most schools NFF formula factors have increased by 0.5% per pupil from 2024/25 to 2025/26, plus the impact of assimilation of grants and of extending core school budget grant to full year value (estimated by DfE at a 1.3% increase, but needed to meet the full year impact of 2024/25 cost increases). Surrey's usual approach has been to scale all formula factors equally for affordability, except that lump sums are slightly higher and basic entitlements slightly lower, in order to support small schools. It is proposed that this general approach is retained in 2025/26. The detailed proposals below assume that a transfer of 1% of schools block to support the high needs block will be approved by DfE, and include use of £250,000 from the DfE falling rolls allocation within the formula (compared to £800,000 in 2024/25).

The DfE has allowed local authorities to set the minimum funding guarantee (minimum increase/maximum decrease in average funding per pupil) between -0.5% and 0% in 2025/26, which is lower than in recent years. There are no major changes in allowable NFF factors in 2025/26.

**Changes in the level of additional need**

The table below shows that measured incidence of low prior attainment in the primary sector, and of EAL in both sectors, has increased between 2024/25 and 2025/26. This means that the level of additional need Surrey pays for is greater than the level which is funded by DfE, which is one reason why formula factor rates need to be set lower than national rates.

**Table: Summary of changes in additional need 2023/24-2024/25-2025/26**

% of pupils funded for specified need	Primary			Secondary		
	2023/24 (Oct 2022)	2024/25 (Oct 2023)	2025/26 (Oct 2024)	2023/24 (Oct 2022)	2024/25 (Oct 2023)	2025/26 (Oct 2024)
FSM	14.13%	14.11%	14.19%	12.83%	13.98%	15.11%
FSM6 (ever 6 FSM)	14.70%	14.43%	14.41%	15.34%	15.43%	16.02%
Low prior attainment	21.98%	23.43%	23.97%	18.92%	18.93%	18.84%
EAL3	9.65%	10.55%	10.79%	2.46%	2.99%	3.15%

The estimated cost of funding higher additional need in this way in 2025/26 is around £1.6m. This means that Surrey would not have been able to fund schools at full NFF even without the proposed transfer of 1% of school funding to high needs block. DfE has yet to respond to Surrey’s block transfer request, but proposals in this paper largely assume DfE approval of that request

### Options for formula factors for 2025/26

In the autumn consultation, a majority of schools supported setting formula factor values sufficiently below NFF values to avoid the use of a ceiling on per pupil gains, and setting the minimum funding guarantee at the highest allowable level (now 0%). The Forum also supported this proposal, subject to review of affordability when final data was available. It is now estimated that this allows formula values of 98.30% of NFF (before varying basic entitlement and lump sum to maintain the lump sum above NFF levels, as supported in consultation). This is an increase of 0.36% in typical formula factor values from 2024/25, in addition to assimilation of grants.

Officers recommend that this proposal is now adopted. The alternatives considered were:

- use of a ceiling on large per pupil gains, which in practice in 2025/26 would particularly disadvantage small schools with falls in roll, because of the workings of the sparsity factor. The impact of a ceiling will vary from year to year, depending on changes in school needs and in the formula, but in 2025/26 small schools in receipt of sparsity funding would be the largest losers. Even a ceiling at 2% would save only £344,000, worth £630 to the average primary school and £4,900 to the average secondary school. Annexes A and B provide more details.
- setting a minimum funding guarantee lower than 0%. While there is a case that schools in receipt of minimum funding guarantee are technically overfunded, a number of Surrey schools have been on minimum funding guarantee for some years. If this is to be reviewed a year in which the MFG range is low and the provisional settlement was late is probably not the best time to do it.

The table below compares key features of the proposed 2025/26 funding formula with that for 2024/25.

**Table: Key comparisons of proposed 2025/26 funding formula with 2024/25**

Formula funding proposal for 2025/26	2024/25	2025/26 (proposed)
Formula factors % of NFF (apart from lump sum change)	98.44%	98.30%
Minimum funding guarantee	0.5%	0%
Ceiling on gains	6.57%	n/a
Approx increase in formula rates	1.3%	0.36%
Primary Schools on MFG alone	45	83
Primary Schools on ceiling	17	0
Pri Schs on MPPL alone	72	57
Pri Schs on MPPL+ MFG	6	13
Sec Schs on MFG alone	8	10
Sec Schools on ceiling	0	0
Sec schools on MPPL	3	3
% of schools on MFG/ceiling	23.53%	29.7%
% of schools on ceiling	4.7%	0%

Note: 41 of the schools expected to be on MFG in 2025/26 were also on MFG in 2024/25.

Annex B summarises percentage gains for schools under the recommended proposal..

Note that final funding rates are still dependent on data issues (notably in respect of business rates and disapplications).

The equalities impact of the proposed options has been considered, and the impact is seen as inconclusive.

**Alternative should transfer to high needs block not be approved by DfE.**

Should the proposed transfer of 1% of schools block funds to high needs block not be approved by DfE, it is proposed to set the units of resource slightly lower than NFF (est 99.73%), and not to use a ceiling. However, the LA is continuing with the disapplication request, and would hope that the disapplication is approved, as it is an important component of the safety valve agreement.

**Proposed disapplication request: exceptional premises factors (premises rents)**

Surrey currently funds eligible premises rents at cost via an “exceptional premises factor” in the funding formula.

DfE has required all LAs to reapply for all exceptional premises factors for 2025/26, even where they are already being used in 2024/25. The Forum is asked to support the LA application to continue use of the exceptional premises factor for rents. This effectively means that the costs are met by DfE, albeit the LA has to bear any cost increases in the first year. Further details are provided in Annex C. This applies only to rents of essential accommodation, usually due to historic anomalies. If DfE does not

approve our application, we understand that the four schools in receipt of exceptional rent funding would have to fund their own rents.

### **De-delegation rates**

At its October meeting the Schools Forum agreed to de-delegation of funding for a range of services, mostly at the same rates per pupil as in 2024/25. However, changes were proposed for:

- \* behaviour support and travellers, where the LA proposed to increase average deduction rates per pupil in line with the increase in “the general level of school funding, including assimilation of grant”, estimated at the time at 4.7%
- \* free school meals eligibility funding, where the LA proposed an increase in line with inflation (then estimated at 4.0%)

We are now proposing to simplify these by increasing all de-delegation rates by the latest published Retail Price Index percentage (November 2024: 3.6%) which is lower than previous proposals. It should be noted that funding available for these services will still be reduced due to academy conversions.

Annex D shows proposed de-delegation rates for 2025/26.

### **Notional SEND funding**

In October the Forum supported raising notional SEND budgets to the same proportion of basic entitlement, deprivation and low prior attainment funding as the national average. This was agreed by Cabinet and thus will now be implemented. Note that the notional SEND budgets will also be increased as a result of assimilation of grants. The estimated increase in notional SEND funding using 2024/25 national average is 35% (from £61.1m in 2024/25 to £82.3m in 2025/26).

### **Additional SEND funding**

In October the Forum supported the introduction of additional funding for schools where the cost of meeting the first £6,000 per EHCP exceeded 80% of notional SEND funding. This proposal was agreed by Cabinet and thus will now be implemented. The basis of the calculation for 2025/26 will be the average number of EHCPs in years R-11 receiving top up on October 2024, January 2025 and May 2025 school census dates, excluding pupils in SEN centres. The proposed variation for infant schools will also be implemented,

### **Place Funding for post 16 SEND mainstream places (excluding SEN centres)**

Historically, mainstream sixth forms were allocated element 2 place funding at £6,000 each for a designated number of high needs places, recognising in part that there is no post 16 component in the notional SEND budget. A few years ago, Surrey agreed with schools to take advantage of new flexibilities to cease this arrangement and instead to

fund £6,000 per post 16 pupil receiving high needs top up, “in year” based on the October census, and not in designated SEN centres (which already receive place funding). That arrangement was supported by schools, but as a local arrangement ought to be periodically reviewed. It is proposed that it should continue for 2025/26, as it means that funding can be targeted to present pupils when the number of such pupils in individual schools can vary considerably from year to year. This cost would continue to be met from the high needs block.

**Action requested of the Forum**

To support the proposed basis of setting the NFF formula funding rates for 2025/26 (ie 0% minimum funding guarantee and no ceiling, with increases in lump sums

To support the proposed alternative formula proposal, for use if DfE rejects the proposed transfer of funds to high needs block.

To support the proposed disapplication requests (see Annex C)

To support the continuation of local place funding arrangements for post 16 mainstream high needs SEND pupils not in SEN centre places

To support the proposed implementation of additional SEND funding, on the basis agreed above.

To agree proposed de-delegation rates.

## Annex A: Further data on the impact of a ceiling, particularly on small primary schools

The table below compares the number of small primary schools which would be subject to a ceiling deduction if a ceiling of 2% or 4% were to be used, and shows that use of a ceiling in 2025/26 would particularly affect small schools with falling rolls

**Table: number of primary schools which would be affected by 2% and 4% ceilings**

	4% ceiling	2% ceiling
Number of primary schools<95 pupils on ceiling	7 (22.6%)	10 (32.3%)
Number of primary schools<220 pupils on ceiling	10 (7.3%)	20 (14.7%)
Number of primary schools on ceiling	10 (3.3%)	29 (9.7%)

The table below shows the scale of ceiling deductions which would be made from primary schools if a 4% or a 2% ceiling were to be used

Number of schools which would have ceiling deductions	4% ceiling	2% ceiling
Pri ceiling>1% of budget	6	14
Pri ceiling>2% of budget	4	7
pri ceiling>3% of budget	3	5
pri ceiling>4% of budget	3	3
pri ceiling>5% of budget	2	3
pri ceiling>6% of budget	2	2
pri ceiling>7% of budget	1	2
Number of schools on ceiling in 2025/26 which were also on ceiling in 2024/25	5	7

No secondary school would have a ceiling exceeding 1% of budget under either option.

Note that several schools which would have the largest ceiling deductions have a large increase in sparsity funding because of large falls in pupil numbers (fewer pupils means higher sparsity funding, because it is based on a pupil number shortfall model) although they can still see an overall reduction in funding. We may wish to consider whether to apply for a variation in minimum funding guarantee for these schools in a future year if pupil numbers recover, otherwise sparsity funding will be preserved as an average sum per pupil as pupil numbers increase and could thus show a large increase in future years. Further details are provided below of the seven schools which would be affected by a 4% ceiling showing that six were on sparsity funding and saw an increase in sparsity funding and that five of those six would have seen a cash reduction in budget (compared to 2024/25 plus full year grants) even without the ceiling.

**Table: schools which would be affected by a 4% ceiling**

Schools affected by a 4% ceiling	Pupils Oct 2023	Pupils Oct 2024	Increase in sparsity £	Ceiling deduction £	Overall budget chg after ceiling£	Cash change % of 2024/25 baseline
School A	59	44	27,957	-18,280	-49,363	-11.8%
School B	51	34	31,741	-32,743	-52,838	-13.8%
School C	47	41	11,300	-23,862	-15,909	-4.29%
School D	74	62	2,180	-306	-39,926	-8.52%
School E	64	50	26,056	-8850	-49,393	-11.10%
School F	32	25	249	-2193	-23921	-6.89%
School G	72	57	n/a	-8238	25,518	-5.61%

A lower ceiling would have a similar impact on these schools in addition to reducing funding for other schools.

NB Analysis has concentrated on primary schools, as few secondary schools are subject to ceiling deductions, reflecting their larger size, which means overall year on year variation in data is often smaller. By contrast, turnover of one year in a small primary school can have a major impact on the mix of pupil characteristics within the school, and thus on funding levels.



**Annex B Summary percentage year on year gains for primary and secondary schools under the recommended proposal compared to year on year gains if ceiling were used(MFG baseline per pupil, after MFG and ceiling)**

The table shows the numbers of schools with various year on year gains under the options described.

**Table: range of per pupil gains for primary schools with or without ceiling**

Per pupil gains	Primary 98.30% NFF No ceiling	Primary 4% ceiling	Primary 2% ceiling	Secondary 98.30% NFF	Secondary 4% ceiling	Secondary 2% ceiling
More than 10%	3					
More than 8%	4					
More than 6%	7					
More than 5%	7					
More than 4%	10					
More than 3%	15	15				
More than 2%	29	30	2	1	1	1*
More than 1%	86	87	88	10	11	12

Percentages are based on the MFG baseline (which excludes lump sum and sparsity funding). Actual percentage increases (as % of whole budget) will be smaller.

\*New school, exempt from ceiling deductions by regulation.

## **Annex C Proposed Disapplication request to DFE for premises rents factor 2025/26**

Currently (2024/25) four Surrey schools (all primary) receive “exceptional factor” funding for rents of existing essential accommodation where the cost exceeds 1% of the school’s budget. This includes two schools where the whole site is rented, plus an additional classroom block for one school and hall accommodation for another. Details can be summarised as follows:

**Table: Rent costs as % of budget**

	Est annual rent as % of budget (2025/26)
School A	5.9
School B	6.6
School C	2.5
School D	2.7

Annual rents per school vary from £13,000-£58,000 pa, although some are still under negotiation for 2025/26.

The exceptional factor funding is covered by a separate schools block DSG allocation from DFE, based on previous year costs. Thus if there is an increase in rent, the LA must fund the cost for the first year, and DfE will cover if (if approved) thereafter. The DfE will not allow funding for rents below 1% of the school’s budget.

The DFE expects to know the views of the Schools Forum when considering “disapplication” proposals.

## Annex D Proposed de-delegation rates for 2025/26

Table of proposed de-delegation rates for 2025/26

<b>Primary</b>	<b>2024/25 £</b>	<b>2025/26 (3.6% increase) £</b>
Behaviour support: per pupil	7.56	7.83
Behaviour support:per FSM6	48.80	50.56
Behaviour support per IDACI band F	13.99	14.49
Behaviour support per IDACI band E	16.96	17.57
Behaviour support per IDACI band D	26.48	27.44
Behaviour support per IDACI band C	28.86	29.90
Behaviour support per IDACI band B	30.65	31.75
Behaviour support per IDACI band A	40.47	41.93
Special staff costs (not unions) per pupil	0.59	0.61
Special staff costs (union facilities) per pupil	1.47	1.52
Free school meals eligibility checking-per school	292.05	302.56
Non statutory school improvement (maintained primary schools intervention fund delivered by SAFE) per pupil	8.75	9.07
Travellers support per pupil	9.92	10.28
<b>Secondary</b>		
Special staff costs (not unions) per pupil	0.80	0.83
Free school meals eligibility checking per school	461.97	478.60

We are proposing to increase all de-delegation rates in line with November 2024 RPI of 3.6%. This is a lower percentage increase than if we increased them in line with the increase in general schools funding as proposed earlier.

**Item 8 (a)**  
**Surrey Schools Forum**  
**10 January 2025**  
**For decision**  
**Lead officer: David Green**

**Proposed Central Schools Services Block budgets 2025/26**

**Background**

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. CSSB services are statutory responsibilities of the LA both for maintained schools and academies, most of the funding has never been delegated either to maintained schools or to 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, but including assimilated grants) has barely changed from 2024/25 to 2025/26, as summarised below. This is partly because of a small fall in total mainstream pupil numbers (see items 4 and 7). The "historic commitment" allocation is being phased out via a reduction of 20% each year. Surrey no longer has any historic commitments as such, and so the historic commitments funding is used to support other activities within the CSSB definition. In effect, the reduction in historic commitments funding has offset such inflation funding as was provided, leaving the LA to absorb inflation pressures.

**Table of CSSB funding**

CSSB	2024/25 £m	2025/26 £m
Statutory duties	6.269	6.998
Historic commitments	0.356	0.285
<b>Original total</b>	<b>6.625</b>	
Extra in-year allocation for copyright licence increases	0.086	
Assimilated grants	0.575	
<b>Like for like total</b>	<b>7.286</b>	<b>7.283</b>

The 2024/25 budgets and proposed 2025/26 budgets for the central schools services block are shown in the table below.

**Table of CSSB budgets (actual and proposed)**

<b>CSSB</b>	<b>2024/25 £000s</b>	<b>2025/26 £000s</b>
Services		
Admissions service team costs and overheads	1,862	1,862
Admissions service team: funding from historic commitments**	34	34
Admission appeals: community schools	240	240
Devolved admissions appeals funding	230	230
Schools Forum running costs	26	26
Copyright licences: sums charged by DfE	948	1,031
EYES support/children missing education	238	238
<b>Total other than former retained ESG functions</b>	<b>3578</b>	<b>3,661</b>
<b>Former retained ESG functions (DSG funded part)</b>		
Education welfare (Part)	1,395	1,395
Education welfare: funding from historic commitments	287	287
Asset management	52	52
Contribution to statutory/regulatory duties for all schools		
Information systems	165	165
Standing Advisory Council on Religious Education (ISACRE)	15	15
Contribution to head of service, other leadership, partnerships and school relationship roles	330	330
Finance schools funding team	181	181
Phase council supply cover	30	30
<b>Total former retained ESG services</b>	<b>2,456</b>	<b>2,456</b>
Teacher pay and pension funding for centrally employed teachers (assimilated former grant) £575,000 added for 2025/26	557	1,132
Independent chair for Surrey Education Partnership	16	16
Contribution to Groupcall costs for attendance monitoring of children placed in non-maintained/independent schools	18	18
<b>Total proposed commitment against CSSB</b>	<b>6,625</b>	<b>7,283</b>
<b>Total CSSB allocation (original total)</b>	<b>6,625</b>	<b>7,283</b>

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 and is shown separately above. Additionally, in 2025/26, £575,000 has been added to the CSSB which is the full year equivalent of various teacher pay and pension grants allocated to the LA in 2024/25 for centrally employed teachers and which are needed to meet the corresponding increased costs of those teachers.

### **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, apart from the use of historic commitments to support specific initiatives, as above. 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)

**Item 8 (b)**  
**Surrey Schools Forum**

**For decision**  
**Lead officer: David Green**

**Maintained schools' budget deductions ("Central services levy") for 2025/26**

**Background and proposals**

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 2025/26 compared to the initial proposals for 2024/25.

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

The proposed deduction has been divided into two components For each a 3.6% increase in the per pupil deduction rate is proposed, in line with November 2024 RPI. This is much less than the increase in basic entitlement rate for schools.

- £37.27 per pupil for services other than statutory school improvement. This has remained at £35.98 since 2019/20).
- £6.73 per pupil contribution to the cost of statutory school improvement, this has remained at £6.50 since 2022/23. In Surrey, these services are primarily delivered through Schools Alliance for Excellence (SAfE). Part of the costs have

been met from general fund since DFE deleted the former schools improvement monitoring and brokering grant

**Recommendation**

That representatives of maintained primary, secondary and special schools and PRUs approve a levy on those sectors of:

- £37.27 per pupil/place, for central services to maintained schools other than school improvement
- £6.73 per pupil/place for statutory school improvement services,



## **Annex A to item 8b LA Responsibilities for 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 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 (e.g. 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' risk management

- \* Compliance with duties under the Health and Safety at Work Act.
  - School model policies, authoritative guidance, templates and checklists and topic specific information
  - Updates on regulatory and legislation changes via School Bulletin and SRM Health & Safety newsletter
  - Unlimited access to telephone and email support
  - Planning and approving visits using the dedicated school visits and journeys website EVOLVE
  - Incident, accident and near miss reporting using OSHENS online system
  - Support with accident investigations following any incident reportable to the Health and Safety Executive
  - General health, safety and fire advice
  - Radiation Protection Advisor (RPA) for secondary schools
  - Membership of Consortium of Local Education Authorities for the Provision of Science Services (CLEAPSS)
  - Guidance and on-site support for moving and handling young people with disabilities

## Facilities management

- Ensuring schools are complying with statutory health and 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 is inspected under a cyclical three year inspection programme

## Basic Need Capital and 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 to item 8b Proposed statutory 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)

**Annex C to item 8b Table of Budgets for statutory LA services to be funded from the central services levy**

	2024/25 Levy reported to Schools Forum 10 Jan 2024 (£000s)	2025/26  Estimated levy (£000s)
<b>Statutory/regulatory duties</b>		
Finance	257	344
Governance	60	60
HR	161	105
Monitoring national curriculum assessment	94	94
ICT (mainly data collection)		
Teachers pensions admin	229	115
Facilities management (incl trees)	47	47
Schools risk management (part -not all of this service is DSG funded)	203	203
<b>Asset management</b>		
Basic need capital projects, asset management, site surveys, commissioning etc		
Property schools basic need	372	310
<b>New redundancy costs in maintained schools</b>	470	470
<b>Total required (except school improvement)</b>	<b>1,893</b>	<b>1,748</b>
Reduction to find	<b>-137</b>	<b>-198</b>
<b>Estimated levy</b>	<b>1,756</b>	<b>1,550</b>
Estimated pupil numbers (based on Oct 2023 /Oct 2024 census less allowance for future academy conversions)	48,809	41,581
Rate per pupil	35.98	37.27
Estimated levy for statutory school improvement (based on the same pupil numbers as above)	317	271
Rate per pupil	6.50	6.73

**Item 11**  
**Surrey Schools Forum**  
**10 January 2025**  
**For information/discussion/decision (part)**  
**Lead:Carol Savedra**

## **Early Years DSG 2025/26 and Early Years budget grant 2024/25**

### **Summary**

DFE has now confirmed hourly rates for Early years funding to local authorities for 2025/26, as set out in the paper for item 4. This item notes some related funding issues, and provides an update on the distribution of the separate early years budget grant for 2024/25.

### **Background: 2025/26**

DfE has now confirmed hourly early years funding rates for funded early entitlement for 2025/26, and these were shown in the paper for item 4. In addition, DfE has reduced the maximum level of central retention by local authorities from 5% in 2024/25 to 4% for 2025/26. DfE also requires local authorities to confirm hourly rates for providers before 28 February 2025. Previously the deadline has been 31 March.

### **Early years budget grant 2024/25**

The Early Years budget grant is an additional grant payable to local authorities in 2024/25, which must be distributed in full to early years providers. The grant was mainly intended to support the additional cost of the September 2024 teacher pay award. Therefore Surrey proposed to distribute it to

- to the 4 Maintained Nursery Schools - distribute the maintained nursery schools amount, reflecting the different basis of DfE funding
- to maintained schools with nurseries
- to any academy school with a nursery, who can evidence that they employ a qualified teacher in the nursery on teacher's pay and conditions, at national pay rates or more
- and any private, voluntary and independent nursery who can evidence that they employ a qualified teacher in the nursery on teacher's pay and conditions

The supplement would be distributed using a standard hourly rate for 3-4 year olds only, for all eligible providers, although the hourly rate would differ between maintained nursery schools and other providers.

This proposal was supported by a clear majority of respondents in the consultation and therefore will now be implemented. Hourly rates will be determined shortly.

A summary of consultation results is in the annex.

**Recommendation**

That the Schools Forum agrees the central retention of 4% of funding for each of the funded early entitlement budget for 2025/26

That the Schools Forum supports the proposed basis of distribution of Early Years budget grant for 2024/25.

## **Annex Early Years Budget Grant (EYBG) consultation survey**

The Early Years Budget Grant (EYBG) is to support Early Years providers who are delivering the government's early years entitlements with their costs, following the recent teacher pay award, for the period September 2024 to March 2025. There are separate amounts for Maintained Nursery Schools and for other providers.

Surrey County Council (SCC) are proposing to distribute it in the following way:

- to the 4 Maintained Nursery Schools - distribute the maintained nursery schools amount, reflecting the different basis of DFE funding\*
- to maintained schools with nurseries\*

\*No evidence required as employing a qualified teacher is mandatory

- to any academy school with a nursery, who can evidence that they employ a qualified teacher in the nursery on teacher's pay and conditions, at national pay rates or more
- and any private, voluntary and independent nursery who can evidence that they employ a qualified teacher in the nursery on teacher's pay and conditions

We will distribute this supplement using a standard hourly rate for 3-4 year olds only, for all eligible providers.

Please note that there is a requirement that teachers access the teachers' pension scheme at national (London fringe) pay rates or more.

The consultation ran on Surrey Says from 26/11/2024 to 10/12/2024.

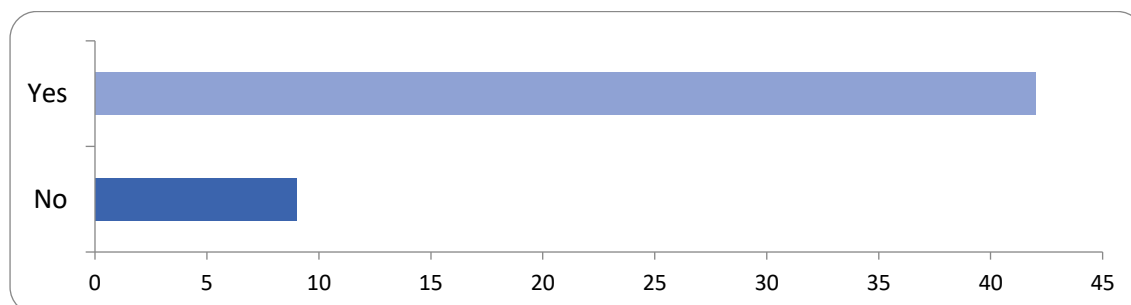
Responses to this survey: **51**

<b>Role</b>	<b>No. of Respondents</b>
CEO	1
Childminder	8
Deputy Head Teacher	1
EY Lead	1
EY Teacher	1
Executive Head Teacher	3
Finance Manager/School Business Manager	3
Head Teacher	21
Owner/Manager	8
Not specified	4



**Question: Would you support the approach of distributing the EY Budget Grant to Early Years settings and schools, with qualified teachers who are on teachers' pay and conditions in the way we have described on the previous page?**

There were 51 responses to this part of the question.



Option	Total	Percent
Yes	42	82.4%
No	9	17.6%
Not Answered	0	0.00%

**5: If you do not support this, please tell us why:**

There were 5 responses to this part of the question.

- What about settings without a fully qualified teacher, smaller childminder settings?
- Payment needs to be more than £5:54 per hour
- It was great to see private and voluntary providers included in the opportunity to access this grant. However, this is a little smoke and mirrors as in order to do so they have to prove that they are paying and complying to teachers pay and conditions. I know of settings who employ a qualified teacher but not on national teachers pay because they cannot afford to do so , they will not be able to meet the criteria for this grant. Nor does it appear to include Early Years Teachers ( EYT) who should be of equal value. I understand that you have to distribute this according to DFE rules but what about the many, many settings struggling because the funding is inadequate and the minimum wage just keeps rising with no funding to cover those costs. What a shame that Early Years staff are not as valued as those with QTS .
- There aren't enough Early years teachers in the market. The schools with heavy funding back up already will continue to attract Early Years teachers through the pay package they can afford to provide. This leaves private sectors with no Early Years Teachers to recruit and to provide the same quality of education that

children deserve whether they choose private settings or school based settings. After all, all the children are funded through the scheme. This biased support will affect the children and the parents. Government must first try to equally treat the private nurseries and school based nurseries to start with any support to children. From the top down , the biased support is unacceptable. For this reason, we will not support this grant. Bring more teachers in the market and find ways to keep them in the sector using this grant. Teachers are getting trained using the funding and migrating to other countries. We need quality staff for quality childcare. We all work under same authorities and same pressure whether we are private or public sector. This needs to be understood on top level.

- I do not support dividing the amount Surrey County Council will receive from the £34 million the DfE are providing to 'fund teachers pay' between 4 maintained nurseries as it's not only these 4 maintained nurseries that provide high standards of early years care and education. And let's face it, having a QTS in your nursery is not a guarantee that the children will receive better care and education than in a setting without a QTS, especially if that QTS does not have an early years specific degree and therefore doesn't actually have a good understanding of early childhood development and early years education. I have to ask, is someone with a History degree and QTS more qualified to deliver quality early years care and education than someone with an Early Years specific degree and Early Years Teacher Status? Although we all know that unfortunately too many quality graduates with an Early Years specific degree are being mis-sold Early Years Teacher Status, as it bears no relevance in the Governments new vision for having preschools attached to all infant and primary schools. If nothing else, the 4 maintained nursery schools in Surrey already do very well with their share of tax payers money, so how about providing money to support the development and sustainability of preschools and nurseries that are on the edge of closure because the DfE funding rates are not adequate for long term sustainability, rather than just pumping more money in to the maintained sector simply for the fact the nursery schools must be led by someone with QTS. After all, with only 4 maintained nursery schools in Surrey, where are all the families and children eligible for the new levels of funding going to go?

**Item 12**  
**Surrey Schools Forum**  
**10 January 2025**  
**For information and discussion**  
**Lead officer: Anwen Foy**

## **Surrey Virtual School Pupil Premium Plus for Children Looked After: Update**

### **Report Purpose**

This report provides an overview of the 'looked after child pupil premium', also referred to as Pupil Premium Plus (PP+), the role of the Virtual School Head Teacher in relation to this grant, and the way it is being used to improve educational progress and outcomes of Surrey's children in care.

It is presented for the purpose of sharing information, highlighting any planned changes, and working collegiately with Schools Forum members.

### **Background and key facts**

- The purpose of the PP+ grant is to close the attainment gap for this cohort of children and improve their educational outcomes.
- Virtual School Heads have responsibility for managing and tracking Pupil Premium Plus for looked after children within their local authority in line with the [DFE Conditions of Grant](#).
- Similar to most local authorities, Surrey children in care attend school not only in Surrey, but also in a number of other LAs, and the system for accessing PP+ funding therefore needs to be simple and easy to use.
- A PP+ policy is in place in each LA which should be reviewed annually by the Virtual School Head. The current policy is embedded into the Surrey Personal Education Plan (PEP) template so that it is always accessible to Designated Teachers. This was reviewed, in line with our normal practice, for the 24-25 academic year.
- The DFE is clear that Virtual School Heads have considerable flexibility in the ways [PP+](#) is administered and spent to support the needs of children at both individual children and cohort level.
- Funding should not replace the support a school is already funded to provide.
- PP+ cannot be carried forward by the LA and must be returned to the DFE if unspent.

### **The wider context: Arrangements across different local authorities**

- Many different arrangements are in place across the country reflecting local needs and contexts, ranging from entirely needs led arrangements whereby the Virtual School retains all of the PP+ and allocates following application, to partial or fully automatic termly allocations to schools.
- In common to almost every LA, is the pre-requisite that payment of any PP+ is subject to a high-quality PEP, with evidence of clear targets, with some LAs making payment subject to targets being met.

## **Summary of the current arrangements in place for Surrey CLA**

### **Pupil Premium Plus requested via children's PEPs**

- For children of statutory school age, PP+ funding is allocated on the basis of their learning needs, as set out in a child's Personal Education Plan (PEP). For the 2023-4 academic year, £600 could be requested per term via the PEP (£1800 in total). There was a slight change for 2024-5 as outlined below.
- We know that many looked after children struggle with transitions, which is in very sharp focus when moving into a new class, year group or school. In order to better support children, and in response to feedback from Designated Teachers about a simpler process which supports early planning, the 2024-5 PP+ policy supports schools to request up to £1200 at the Autumn term PEP - for the Autumn and Spring terms combined - with the remaining £600 being available for the summer term.
- There will be no Spring term PP+ paid except where a child is new to a school or has become looked after during the second half of the Autumn term or during the Spring term.
- In line with the previous year, any further PP+ needed is allocated at the discretion of the Virtual School Headteacher.
- This arrangement includes children in care who have EHCPs, though Designated Teachers must confirm on the PEP that this does not duplicate what is already funded through their EHCP.
- In the case of fee paying schools (independent specialist settings) we would expect that all interventions and support services would normally be covered by the funding provided by the LA to the school to deliver the child's education. This is consistent with practice across most Virtual Schools throughout the country.
- The current Surrey Virtual School quality assurance process includes four key areas, with impact of PP+ integrated into the 'review of child's previous targets or current learning needs, and the effectiveness of support.'
- Pupil Premium Plus is not allocated where a PEP is of poor quality and has a 'red' rating. However, feedback is always provided. This is consistent with practice across the vast majority of Virtual Schools
- In 2023, the Virtual School Head reported a concern to Schools' Forum members that there were still a number of schools choosing not to request PP+ despite it being available for them each term.
- During the past year, this has been successfully addressed through a variety of measures. During the 2023-4 financial year, a total of £540,150 over 3 x terms was allocated to schools in response to requests made via children's PEPs. This represents an increase due to a higher number of requests compared to those received in the 2022-3 financial year.
- Two additional PP+ payments were made to schools during 2023-4 which provided a further £330,000 to support children's transition and £195,250 for children needing additional support. Therefore, the total PP+ allocated to schools during the past financial year was £1,065,400.

### **Examples of ways this funding supported children's needs**

- In line with requests made by Designated Teachers, Frequently Asked Questions and a 'good practice' guide are included within the current PP+ policy. These include examples

cited in our DT surveys of targeted use of Pupil Premium Plus for looked after children and the impact this has made (examples below).

## Supporting academic development

- As per the previous year's survey, the majority of the academic support funded via PP+ focusses on one to one tutoring and mentoring, mainly for English and maths, but occasionally to support other subjects or those not currently offered in the setting - but important to the child's needs and interests.

*"...external tutors to support additional English-Maths"*

*"This year we have used it for additional maths tutoring which was helpful for this pupil."*

*"We used the PPG+ funding to contribute towards the funding of a personal tutor so that our student was able to access Computer Science GCSE."*

*"Online tutoring - boost attainment in English"*

- There are also examples of specific teaching and learning interventions reflected in this year's DT survey. These include activities to support phonics and reading, supporting children via peer and adult support in group activities, and pre teaching of maths and English concepts to increase confidence in lessons. One DT talked about using *" this funding to ensure our children are regularly part of small group work throughout the day, which helps the child to focus and we have seen rapid progress with this method."*

## Supporting social and emotional health development

- This year's survey has reflected the more prominent focus we saw last year on PP+ being used to address social, emotional and mental health related barriers to learning. For example, a number of DTs are enhancing or extending ELSA (Emotional Literacy Support Assistants) support for looked after children which *"keeps the communication open, keeps on top of issues arising e.g. re friends, supports with transition."*
- ELSA support has also been used to support Unaccompanied Asylum Seeking Children and young people (UASC) to offer *"time to talk and express their feelings. In the past it has really helped asylum seekers have greater ELA support and to have sessions where life skills have been taught such as cooking or IT computer skills."*
- There are a number of examples where DTs have used PP+ funding to facilitate therapeutic support for individual children which also taps into their specific interests.

*One DT requested "Play Therapy to help with their SEMH needs" whilst another used PP+ to fund "Bereavement counselling – ongoing". She described how "Therapeutic provision has helped the student discuss what strategies work and increase engagement."*

*One DT used the funding to put in place "drawing and talking therapy" whilst another described " seeking to obtain funding for Equine therapeutic learning weekly sessions in school. This has previously been vastly advantageous to CICs to help them to identify , express and regulate their emotions."*

## Pupil Premium Plus centrally retained

- Virtual School Heads are able to retain a proportion of their PP+ budget for activities provided centrally by the Virtual School, for example to support children with greater levels of need or where interventions can be obtained more cost-effectively by commissioning in bulk. Such interventions may include training and development for Designated Teachers as exemplified in DFE statutory guidance, “*PP+ funding can be “centrally pooled by the [Virtual School Head] and used to provide support best delivered at a Local Authority-wide level e.g., training on attachment for all Designated Teachers in the authority area”.*”
- A wide ranging [training brochure](#) is in place for schools providing access to a comprehensive learning offer for Designated Teachers and DSLs.
- Currently 29% of the total grant is retained centrally. This funds a wide variety of interventions and activities. These include our Surrey Attachment Aware and Trauma Informed Schools/Settings (SAATIS) Programme, and a broad range of other training for schools, foster carers and social workers. A number of individual child level interventions have been put in place to address barriers to learning, and bespoke careers guidance and coaching plus entry for Functional Skills in English and Maths were provided for young people at risk of underachievement. These measures, in partnership with schools have contributed to some good outcomes for looked after children.
- Despite the many challenges that our care experienced children face, more young people in Key Stage 4 achieved good GCSE passes in English and maths than the previous year, and Surrey outcomes were in line with national CLA (Children Looked After) for this measure.
- There were also very positive results for young people post 16 where 260 young people took qualifications in 2023. 239 achieved at least one qualification, equating to 92%. We have also used our centrally held PP+ to fund Functional Skills entry and development for individual children, which acts as a ‘safety net’ in case of disruption to GCSE courses, or where children did not achieve the result they hoped for but needed a Level 2 qualification to progress to their chosen post 16 education pathway. Similarly, we have been able to support children to be entered for ASDAN courses
- The percentage of looked after children who were recorded as ‘CME ‘ (Child Missing Education), remained consistently low at 1.4% by the end of the 2022-3 academic year and reduced further by the end of the 23-24 academic year. This has been achieved through a range of interventions including targeted one to one tuition, mentoring, use of digital resources, hardware and software to support learning, and use of alternative provision to help re-engage children and bring them back on track.
- For our UASC (Unaccompanied Asylum-Seeking Children and young people) this has additionally included purchasing dictionaries, providing ESOL (English for Speakers of Other Languages) tuition and multilingual resources to support the development of English language skills. Our Service Level Agreement with REMA, the local authority’s specialist service, has provided assessments of both English and first language skills, enabling us to gain a holistic view of the child/young person so that their needs can be better understood by their education settings.
- Wherever possible, central interventions link closely with the [Education Endowment Fund](#) (EEF) defined categories of interventions which are shown to have impact on the educational progress of children from ‘disadvantaged’ groups. However, it is now acknowledged that these interventions may impact differently on care experienced children and further research is underway.

## Conclusion

The measures taken during the 2023-4 financial year have ensured that as much funding as possible has been passported to schools and settings, whilst the centrally held PP+ has

provided the flexibility to deliver a wide range of interventions and services to children, no matter where in the country they receive their education.

During the 2024-5 financial year we continue to meet children's educational needs via targeted use of PP+ whilst maintaining robust financial oversight in the first year for some time without the added benefit of the School Led Tutoring or Recovery Premium. We will then be well placed to review our approach and any changes needed for the 2025-6 financial year.

### **Recommendations**

- That Schools' Forum members note the content of this report.
- That an annual update is brought to Schools Forum around Pupil Premium Plus for children looked after in 2025.

**Item 13**  
**Surrey Schools Forum**  
**10 January 2025**  
**For information**  
**Lead officer: David Green**

## **Arrangements for payment of government grants to schools for 2025/26**

### **Background**

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 the grants 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.

Occasionally the LA has some discretion over allocations (as for example with teacher pay and pension grants and core schools budget grant to special schools and pupil referral units for 2024/25). LA officers have regular meetings with headteacher representative groups of both sectors and current practice is to share proposals with those groups and then make a recommendation to specialist schools phase council based on discussions with those groups.

There may also be specific requirements to consult schools or the Schools Forum prior to distribution of specific grants,

### **Action requested of the Forum**

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



## Item 14

### Surrey Schools Forum

10 January 2025

For approval

Lead officer: David Green

### Proposed changes to the Surrey Scheme for Financing Schools

#### Summary

Minor updates are needed to the Surrey Scheme for Financing Schools, largely clarifications and updates of contact information. Maintained school representatives on the Forum are asked to approve the proposed changes.

#### Background

The Surrey Scheme for Financing Schools is a statutory document setting out the responsibilities of the LA and maintained schools, and is largely based on statutory guidance from the Department for Education. Changes to the scheme, other than those directed by the Secretary of State, require consultation with all maintained schools and approval by maintained schools representatives on Schools Forum. The Secretary of State may issue “directed revisions” at any time, and maintained schools are advised of such changes via a Schools Bulletin.

During December, the LA consulted on a number of changes to the scheme, mostly minor. The proposed changes are summarised below. There were no responses from schools to the consultation.

#### Section 1 The funding framework

We propose to add an annex summarising the formula factors and values in the mainstream schools funding formula. This would be updated every year and would satisfy the DFE expectation that the Scheme makes it clear where this information can be found.

#### Section 2.2 Basis of accounting

We propose to amend current requirements by inserting the words in bold.

“In particular, schools should be able to report separately to the Authority on revenue and capital expenditure, and on any funds held by them on behalf of collaborative ventures with other schools where specified by the Authority, **to demonstrate appropriate use of government grants to which specific conditions apply**, and to demonstrate that only public funds have been reported to the Authority, and to demonstrate an audit trail back to its accounts for each of these separate funds”.

Note: this is required in case the local authority is required to demonstrate that these grants have been effectively used.

#### Section 2.10 Purchasing, tendering and contract requirements

The reference to EU directives would be deleted-they are no longer directly applicable.

## **Section 2,11            Application of central contracts to schools**

Delete obsolete reference to pre 1999 contracts

## **Section 4.2    Surplus balances**

Remove reference to 5%/8% threshold for surplus balances (former DFE thresholds, which are now obsolete) so that the LA would simply be able to ask for information on surplus balances where their level was a cause for concern.

## **Section 4.10 Loan scheme**

Remove details of the loan scheme, which in practice has been suspended since 2010. Replace with “currently no scheme is available”. The extent of academy conversions makes it unlikely that reinstatement of a loan scheme could be considered.

## **Section 6.3    Circumstances in which the budget share may be charged without the school’s agreement**

Delete reference to carbon trading scheme, which no longer operates.

## **Annex B Building maintenance responsibilities**

Amend to make it clearer that the various maintenance and inspection buyback schemes are traded services, that their scope is not defined by the Scheme, and that any services covered by the traded offer are school responsibilities for the purpose of the scheme. This clarifies the current position but does not change it.

## **Various**

Update sources and contact information as necessary. This has no impact on the requirements on schools.

## **Recommendation**

That maintained school representatives on Schools Forum approve the proposed changes to the Scheme, for implementation from February 1.