

9 July 2020

**TITLE OF REPORT: School Funding Update**

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**Purpose of the Report**

To bring to Schools Forum an update on what is known to date about the developments in school funding during the financial year 2020/21.

**Background**

Due to the Covid-19 pandemic there have been many announcements about schools and schools funding. Many of the earlier announcements have been updated or superseded.

**7 April 2020 Covid-19 Financial Support for Schools (updated 25 June 2020)**

The DfE had already announced that schools would continue to receive their core funding allocations for the 2020/21 financial year, regardless of periods of partial or complete closure.

Local Authorities (LA's) would also continue to receive High Needs Block (HNB) funding and therefore should continue to pay HNB top ups and other funding to schools and settings. Schools with pupils in other settings or alternative provision should also continue to pay these settings so that teachers and other staff can continue to be paid. If funding arrangements had not been agreed, then funding should be paid on previous patterns of placements or commissioning.

The guidance set out that there would be funding for schools for additional cost due to Covid-19, but not for lost income, and was for the period of closure to the end of the summer term.

Schools will only be able to claim this funding where they have not added to their reserves or they can demonstrate that a reduction in their deficit is as a result of action taken by the school to reduce the deficit. The DfE identified the following areas that were most likely to have additional costs:-

- Increased premises costs, including cleaning and keeping the school open over holiday periods
- Support for free school meal (FSM) pupils where the national voucher scheme has not been used

If a school faces other extraordinary cost to deliver support for pupils during this period that is not covered by this list and cannot be met from their existing budgets the should contact the DfE by the below e-mail address.

[DfE.CoronavirusHelpline@education.gov.uk](mailto:DfE.CoronavirusHelpline@education.gov.uk).

Schools will be able to claim up to the limits below, but must provide assurance that these are legitimate additional costs incurred due to Covid-19.

The following measures should be considered before making a claim:-

- School should keep records of all expenditure relating to Covid-19 so that records can be audited
- The headteacher or business manager who submits the claim should give due consideration to their financial duties, including signing their name
- The income and expenditure will need to be identifiable when reporting their accounts

The DfE want this process to be as simple as possible, and therefore will not be asking routinely for lists of items claimed for, but schools should keep records in case of individual enquiries.

The DfE reserve the right to audit the expenditure and clawback money if claims have not been made in accordance with the guidance, in order to protect public spending.

Below are the limits for schools

#### **Mainstream schools**

250 pupils or fewer	£25,000
251 to 500 pupils	£30,000
501 to 1000 pupils	£50,000
Over 1000 pupils	£75,000

#### **Special schools and alternative provision**

All schools	£50,000
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Pupil numbers will be defined by the following data:

- 2 to 4 year olds – headcount of funded places from January 2020
- 5 to 16 year olds – headcount from October 2019 census
- 16 to 19 year olds – pupil numbers from 2019 to 2020 academic year allocations

#### **Expectations of schools**

The DfE have stated that as schools will continue to receive their budgets for the coming year as usual, regardless of any periods of partial or complete closure, and this will ensure they are able to continue to pay for staff and meet their other regular financial commitments, while delivering the provision required during this unprecedented period.

Costs that are part of schools' expected expenditure for the year but that will not provide a benefit to the school or its pupils (such as exam fees, where exams will not now take place) are not covered by the funding set out in this guidance. This funding is focused on additional costs that schools face, over and above their expected expenditure, in delivering appropriate support for their pupils through this period.

The DfE recognised that staff needed to be in school over the Easter and summer half term holidays when they would usually not be working. In order to protect staff

wellbeing, and minimise any need for existing staff to work additional hours in order to cover the holiday periods, schools should consider:

- adopting rota systems to cover holidays, and offering staff time off in lieu for this
- approaching the local authority or academy trust to check whether staffing support is available from other institutions
- making appropriate use of their supply budget

If schools still have unavoidable additional staffing costs they should discuss these with their LA or Regional School Commissioner who will support them to resolve the issue.

At a regional meeting a representative of the DfE stated that they expected this support to carry on past the summer term. Below are links to the guidance and the online form for schools to complete. The deadline for making a claim is 21 July 2020.

<https://www.gov.uk/government/publications/coronavirus-covid-19-financial-support-for-schools>

[https://www.gov.uk/government/publications/claiming-exceptional-costs-associated-with-coronavirus-covid-19/exceptional-costs-associated-with-coronavirus-covid-19-2?es\\_c=6D8728B5CD9C037B995B199287997DF7&es\\_cl=F414FB7DE0B52CFF9AEEC3DFB80DCA0F&es\\_id=9d%20%a303](https://www.gov.uk/government/publications/claiming-exceptional-costs-associated-with-coronavirus-covid-19/exceptional-costs-associated-with-coronavirus-covid-19-2?es_c=6D8728B5CD9C037B995B199287997DF7&es_cl=F414FB7DE0B52CFF9AEEC3DFB80DCA0F&es_id=9d%20%a303)

## **9 April 2020 Guidance for Schools about Temporarily Closing**

There was no new funding guidance included in this document.

## **15 April 2020 Early Years and Childcare Closures**

On the 17 March the Chancellor confirmed that the government would continue to pay local authorities for free early years entitlement places for 2, 3 and 4 year olds. The LA have funded early years providers on the children they were anticipating having before Covid-19 for the summer term irrespective of the setting staying open or closing or the number of children actually attending.

Below is a list of the Government support available to childcare settings during the disruption.

What additional business support is available to childcare settings during this period of disruption?

The government has announced [a package of support](#) for workers and businesses which will benefit childcare settings.

- The Chancellor has announced that private childcare settings will be eligible for a business rates holiday for one year - that means [non-local authority providers of childcare \(registered with Ofsted and providing EYFS\) will pay no business rates in 2020 to 2021](#)

- Nurseries in receipt of small business rate relief or rural rate relief will benefit from small business grant funding of £10,000 - this includes nurseries who are eligible for a charitable status relief – who will also pay no business rates at all in 2020 to 2021
- Some settings operate from shared spaces which may now benefit from a 100% rates relief. We strongly encourage those shared spaces to reflect any business rates saving in their rent charges.
- The Coronavirus Job Retention Scheme means that for employees who are not working but kept on payroll, the government will contribute 80% of each worker's wages of up to £2,500, backdated to 1 March 2020. Settings can access this scheme while continuing to be paid the early entitlements funding via local authorities.
- The [Self-employment Income Support Scheme](#) for those who are self-employed or members of a partnership and have lost income due to coronavirus (COVID-19). The scheme allows individuals to claim a taxable grant worth 80% of trading profits up to a maximum of £2,500 per month for 3 months. HMRC will contact individuals who are eligible and invite them to apply online.
- For the self-employed (including childminders), the minimum income floor will also be temporarily relaxed, meaning Universal Credit can be accessed at a rate to match statutory sick pay (SSP).
- The Business Interruption Loan Scheme will now be interest-free for 12 months, an increase from 6.
- VAT payments due with VAT returns between now and the end June 2020 will be deferred. UK VAT registered businesses will not need make those payments until March 2021.
- The Secretary of State for Business announced on 28 March 2020 that he will make [changes to enable UK companies undergoing a rescue or restructure process to continue trading](#) to help them avoid insolvency. This includes temporarily suspending wrongful trading provisions retrospectively from 1 March 2020 for 3 months for company directors so they can keep their business going without the threat of personal liability.
- Working tax credit has been increased by £1,000 a year.
- The government has also announced a £20 per week increase to the Universal Credit standard allowance and Working Tax Credit basic element and an increase in the Local Housing Allowance rates for Universal Credit and Housing Benefit claimants so that it covers the cheapest third of local rents.

### **17 April 2020 Financial Support for Education, Early Years and Children's Social Care (updated 27 May 2020)**

This guidance included sector specific guidance for Early Years, state funded schools and High Needs Funding.

<https://www.gov.uk/government/publications/coronavirus-covid-19-financial-support-for-education-early-years-and-childrens-social-care>

### **21 April 20 Actions for Early Years and Childcare Providers during the Coronavirus Outbreak (updated 24 April 2020, 23 June 2020)**

This guidance made it clear that LA's should use their early years funding to ensure that there were sufficient early years places for vulnerable and key worker children.

<https://www.gov.uk/government/publications/coronavirus-covid-19-early-years-and-childcare-closures/coronavirus-covid-19-early-years-and-childcare-closures>

## **28 April 2020 Use of Free Early Education Entitlements Funding during Coronavirus**

Further guidance on the flexible use of Early Years DSG.

<https://www.gov.uk/government/publications/use-of-free-early-education-entitlements-funding-during-the-coronavirus-outbreak/use-of-free-early-education-entitlements-funding-during-coronavirus-covid-19>

## **19 June 2020 Catch Funding**

The education minister announced an additional £1 billion to help pupils catch up on missed education. £650 million will go to schools the remaining £350 million will fund a subsidised nationwide tutoring program. No details on individual funding amounts or the allocation method has been released.

It was also announced that the Year 7 Catch Up grant was being discontinued.

<https://www.gov.uk/government/speeches/education-secretarys-statement-on-coronavirus-covid-19-19-june-2020>

Current guidance is expected to be updated soon, and funding announcements for 2021/22 are expected before the summer break.

## **Proposal**

That Schools Forum notes the above funding guidance and information provided by the DfE.

## **Recommendations**

That Schools Forum notes the guidance and information from the DfE.

For the following reasons:-

- To keep up to date with the rapidly changing education funding position.

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