

Schools Funding Forum 3rd November 2020

ITEM 5

Subject Heading:

The Financial Impact for schools of Covid 19

Report Author:

Nick Carter – Principal Finance Officer (Schools)

Eligibility to vote:

All school and academy members

SUMMARY

This item summarises the funding arrangements announced by the DfE, and reports on a survey of schools on additional costs incurred, relating to the Covid 19 pandemic.

RECOMMENDATIONS

That the Schools Funding Forum notes the results of the survey on additional costs incurred by schools as a result of Covid 19 and considers next steps.

REPORT DETAIL

1. Exceptional Costs

In May, the DfE advised that schools could claim for a limited range of additional costs incurred in dealing with the COVID-19 pandemic. These were:

- **increased premises related costs** associated with keeping schools open during the Easter and/or summer half term holidays, for vulnerable children

and the children of critical workers, over and above the costs that schools would have faced in other circumstances

- **support for free school meals for eligible children who are not attending school**, where those costs are not covered by the national voucher scheme - this covers:
 - costs to schools arising before the introduction of the national voucher scheme
 - costs where schools are providing free meals to children for whom the national voucher scheme is inappropriate (for example, because there are no participating supermarkets locally or schools are providing meals directly) - schools can only claim through this fund for free school meals provided over Easter and summer half term holidays where it was required because local supermarkets were not yet part of the national scheme
- **additional cleaning** – required due to confirmed or suspected coronavirus (COVID-19) cases, in line with COVID-19: cleaning of non-healthcare settings, over and above the cost of existing cleaning arrangements

Where schools faced other extraordinary costs, in delivering appropriate support to pupils over the period of partial closure, that were not covered by this list and cannot be met by existing budgets, they could register the details of these through the claims process.

The DfE stated that that they would not approve claims for the following costs:

- costs associated with opening schools to more pupils from 1 June
- additional staff costs
- loss of self-generated income

Schools were not eligible to make a claim if they expected to add to their existing surpluses in their current financial year (September 2019 to August 2020 for academies and April 2020 to March 2021 for maintained schools).

Limits for school claims

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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The LA was notified in August that 15 LA maintained schools had received the sums shown below totalling £118,638. These schools had not included any 'other' costs on their claim.

	Total Payment	Limit
School A	£15,458	£30,000
School B	£7,550	£25,000
School C	£5,858	£30,000
School D	£21,349	£25,000
School E	£5,150	£50,000

School F	£7,343	£50,000
School G	£12,337	£50,000
School H	£5,323	£50,000
School I	£2,146	£30,000
School J	£11,776	£25,000
School K	£900	£30,000
School L	£3,728	£30,000
School M	£8,395	£25,000
School N	£8,215	£50,000
School O	£3,111	£50,000

In October the LA was notified that a further 23 LA maintained schools had received the sums shown below, totalling £182,067. These schools had included 'other costs' on their claim. The sums received by schools, however, did not include the 'other costs'.

	Total payment	Limit
School A	£392	£30,000
School B	£5,203	£30,000
School C	£7,248	£50,000
School D	£1,543	£30,000
School E	£1,509	£25,000
School F	£3,361	£30,000
School G	£8,273	£50,000
School H	£14,000	£30,000
School I	£3,808	£30,000
School J	£750	£30,000
School K	£28,285	£30,000
School L	£26,603	£30,000
School M	£3,392	£25,000
School N	£1,663	£30,000
School O	£8,475	£30,000
School P	£2,942	£30,000
School Q	£24,694	£50,000
School R	£6,481	£25,000
School S	£9,002	£25,000
School T	£7,922	£50,000
School U	£4,440	£30,000
School V	£3,220	£50,000
School W	£8,861	£50,000

The DfE are currently making the final assessments of claims for other costs, for which they received a large number of claims in a wide range of categories. They anticipate being able to inform schools of the outcome of this process within the next four weeks.

When issuing guidance for the July claim the DfE stated that further claims will be possible in a subsequent claim window in the autumn and details regarding that process would be published later in the year.

2. Coronavirus catch up premium and the national tutoring programme

In July the DfE announced £1 billion of additional funding to be allocated through a catch up premium. This includes a one-off universal £650 million catch-up premium for the 2020 to 2021 academic year to ensure that schools have the support they need to help all pupils make up for lost teaching time.

Alongside the universal catch-up premium, is a £350 million National Tutoring Programme to provide additional, targeted support for those children and young people who need the most help.

Details were provided at the meeting of the Schools' Funding Forum on 17 September 2020.

Primary and secondary schools will receive a total of £80 per pupil (Year R to Year 6) for the academic year 2020/21. There will be three allocations.

Term	Allocation
Autumn 2020	£20 per pupil using October 2019 Census numbers.
Spring 2021	£46.67 per pupil using October Census 2020 numbers <u>less</u> the allocation received for the autumn term
Summer 2021	£33.33 per pupil using October Census 2020 numbers. (Note for LA maintained schools this allocation will be in the 2021/22 financial year.)

Special, AP and hospital schools will receive £240 for each place using 2020/21 academic year place numbers. There will be three allocations.

Term	Allocation
Autumn 2020	£60 per place
Spring 2021	£80 per place
Summer 2021	£100 per place. (Note for LA maintained schools this allocation will be in the 2021/22 financial year.)

The allocations to LA maintained schools for Autumn 2020 and Spring 2021 do not have to be spent in the 2020/21 financial year.

The Autumn 2020 allocations have now been paid to schools and academies.

3. The Impact of Coronavirus on School and Academy Budgets – Survey Results

At the meeting of the Schools' Funding Forum on 17th September, officers were asked to approach schools and academies for details of their Covid-related

expenditure so far. The figures could be used when representations were made, through officers, to the DfE for additional funding.

The letter sent to schools from the Chair and the LA is shown in Appendix A. The return requested in Appendix B.

A summary of the returns is shown in Appendix C.

The number of responses received was as follows:

	Number of schools	Responses received	Response rate
Primary	60	31	52%
Secondary	18	4	22%
Special	3	2	67%
Total	81	37	46%

For primary schools additional costs ranged from £7k to £117k with an average of £44k. The net cost, after the receipt of exceptional cost funding and savings during the summer term, averages £32k.

Lost income has had the greatest impact on budgets and appeared most frequently in the comments made. The average loss was £21K. With schools closed to most pupils, Breakfast and after school clubs did not operate. It was often not possible to furlough staff working in the clubs as they were also employed in another capacity within the school. Breakfast and after school clubs remain closed in some schools to maintain the integrity of bubbles. In others capacity has been reduced and / or take up has fallen. Lettings were cancelled and, in many cases, have not yet resumed. One school reported £20,000 had been lost from the cancellation of fundraising activities.

Staffing costs have had the second highest impact, with two schools reporting additional costs of £43k. The average additional cost was £9k. The need to maintain bubbles meant additional staff were required. Schools also commented on the requirement to pay contracted agency staff, even though they were not needed when the schools had been closed to most pupils.

Primary schools have received 56% of the 'exceptional costs' submitted on the July claims to the DfE. Of the 31 schools that responded, 14 stated that they had reduced spending in other areas to meet coronavirus costs, 10 that they had not reduced costs and 7 gave no reply.

Only four secondary schools have replied to the survey. Additional costs ranged from £41k to £144k with an average of £70k. The net cost, after the receipt of exceptional cost funding and savings during the summer term, averages £60k.

One school reported lost income approaching £100k. One school, who could not submit a claim because they were anticipating a rise in balances over the financial year, commented that they were being penalised for sound financial management. All four schools that responded stated that they had reduced spending in other areas to meet coronavirus costs.

Two special schools have replied to the survey. Average additional costs are £20k with net cost of £16k. Both schools stated that they had reduced spending in other areas to meet coronavirus costs.

4. Schools Catering Services

The Government has issued guidance on a Procurement Policy Note requiring schools to continue to meet the costs of existing contracts where contractors are at risk of not being able to continue to provide the service, either during or after the epidemic.

The LA is including the School Catering Service as a service at risk due to the scale of the income lost from parental charging for meals and the charging of schools for free school meals. The service has, therefore, issued invoices for free school meals during the summer term.

The number of meals for which schools have been charged was calculated using the number charged for the corresponding period last year, adjusted for increases/decreases in eligible pupils from each October census and, for infant and primary schools, increases/decreases in the numbers used for the Universal Infant Free School Meals grant.

Meals have been charged at £1.40 for primary (rather than £2.30) and £1.60 for secondary (rather than £2.60).

The School Catering Service were only able to furlough 146 of the 300+ staff employed. The number furloughed fell to 42 from 1 July when schools reopened for some year groups. It was generally the lower paid staff who were placed on furlough and the higher paid supervisors who were required for work. The Catering Service central staff also continued to work during this period.

Catering staff placed on furlough continued to receive their full salary, only 80% of which was covered by the Coronavirus Job Retention Scheme. Employers' pension contributions could only be claimed at 3% and not at the actual cost.

Although there were savings in some costs paid to suppliers, the food packs issued were more expensive to provide than the usual meals.



Keith Williams

Chair, Havering Schools' Funding Forum

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To Head Teachers and Principals of Academies in Havering

SENT VIA EMAIL

Dear Colleague

13 October 2020

The Impact of Coronavirus on Academy Budgets

As a Headteacher, I am well aware of the spiralling costs associated with Covid 19 and we need to do everything we can to lobby Government to make more funds available to cover the extra costs incurred. By providing this information at an LA level, we can work with other London boroughs to lobby the DfE and Ministers.

Yours sincerely

Keith Williams

Chair, Havering Schools Funding Forum

At their last meeting, the Schools' Funding Forum discussed the impact of the coronavirus pandemic on school and academy budgets. It was felt that additional expenditure could not be absorbed within day to day running costs and that financial support was required. Costs extended well beyond the scope of the additional funding made available by the DfE to date.

The Forum suggested that a collective approach in lobbying for additional resources would be helpful, and that a knowledge of the costs incurred was needed. I was asked to approach schools and academies for information. The figures would be used to make representations through officials to the DfE to release more money.

To this end, I have attached a simple spreadsheet to capture costs incurred. It would be very useful if you could complete this and return it to me. Any information you provide will be treated as confidential and nothing containing academy names or details will be shared at Council level. Anything shared at the Schools; Funding Forum will be anonymised. I do not envisage anyone spending hours compiling the figures, a general picture of the scale of costs is what is sought.

I have included a box on the spreadsheet to show the value of any claims submitted to the DfE to cover exceptional costs from March to July. Schools and academies that included

anything in the 'Other' category, on claims submitted in July, are still awaiting the outcome. No further information has been provided on the promised second opportunity to submit a claim, or on whether the criteria will be broader this time around

To pre-empt assertions about savings made during the summer term, when schools were closed to most pupils, I have included a box for you to record significant savings, if indeed there were any.

The Schools Funding Forum meets next on 3 November 2020. If you could send any returns by Friday 23 October 2020, I can include the figures from your Academy in the totals I report to them. Thank you in advance for your help.

Nick Carter

Principal Finance Officer (Schools)

The impact of Coronavirus on school and academy budgets - October 2020

School / Academy

Please includes costs to date and future expenditure already commitment

1 Additional costs incurred

Category	£
Staffing (excluding cleaning staff) Include additional staff engaged and cover costs	
Cleaning of premises (including staff)	
PPE, hand sanitisers, signage, other consumables	
Adaptations to premises	
Other equipment and services (including costs associated with remote learning)	
Lost income (e.g. from breakfast and after school clubs, lettings, fundraising activities cancelled)	
Total additional costs	0

2 Claims submitted to DFE for 'exceptional costs' - July 2020

Claimed and received	
Claimed but not yet received	

3 Savings (if applicable)

Significant savings arising from partial school closure in the summer term	
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4 General impact

Has your school / academy had to reduce expenditure in other areas to meet coronavirus costs?	
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5 Additional comments

Please return by Friday 23 October to: nick.carter@haverling.gov.uk

School	Additional cost							Claims submitted to DfE				Significant savings in summer term	Current net cost*	Reduced spending in other areas
	Staffing (excl cleaners)	Cleaning of premises	PPE, consumables	Adaptations to premises	Other eqpt and services	Lost income	Total	Claimed received	Claimed not yet received	Total	% received to date			
	£	£	£	£	£	£	£	£	£	£		£	£	
Primary 1	7,808	1,971	1,505	0	7,246	20,176	38,706	3,392	14,777	18,169	19	0	35,314	
Primary 2	32,800	1,078	2,500	200	1,014	12,000	49,592	3,220	1,780	5,000	64	0	46,372	Yes
Primary 27	42,568	3,725	5,281	1,509	4,675	0	57,758	7,343	0	7,343	100	41,800	8,615	No
Primary 22	0	1,500	8,000	0	8,598	17,390	35,488	8,273	2,333	10,606	78	0	27,215	Yes
Primary 3	0	13,500	3,000	2,300	1,500	31,000	51,300	8,861	1,653	10,514	84	14,500	27,939	Yes
Primary 30	15,593	20,500	7,500	0	45,000	28,553	117,146	15,458	0	15,458	100	5,000	96,688	Yes
Primary 4	1,550	1,050	6,800	0	1,075	77,000	87,475	3,111	0	3,111	100	7,000	77,364	No
Primary 5	0	975	2,360	0	450	9,000	12,785	1,058	308	1,366	77	0	11,727	Yes
Primary 17	10,386	16,394	4,792	2,374	13,466	5,000	52,412	0	0	0	0	11,000	41,412	No
Primary 6	21,660	15,363	12,192	0	0	31,000	80,215	1,543	10,644	12,187	13	0	78,672	
Primary 7	3,760	0	4,451	0	5,323	15,750	29,284	5,323	0	5,323	100	47,215	-23,254	No
Primary 18	600	3,500	5,378	1,885	11,578	39,000	61,941	7,248	9,054	16,302	44	0	54,693	Yes
Primary 31	0	2,000	1,000	600	500	8,000	12,100	6,481	5,271	11,752	55	0	5,619	Yes
Primary 8	3,402	5,958	1,188	0	74	7,126	17,748	1,899	0	1,899	100	0	15,849	Yes
Primary 29	42,568	3,725	5,281	1,509	4,675	0	57,758	12,377	0	12,377	100	41,800	3,581	No
Primary 9	0	3,495	11,704	0	3,262	3,304	21,765	2,942	9,878	12,820	23	4,673	14,150	Yes
Primary 26	400	4,000	4,000	3,145	1,108	5,353	18,006	8,475	833	9,308	91	5,900	3,631	Yes
Primary 10	0	0	4,068	0	0	21,783	25,851	1,015	0	1,015	100	0	24,836	No
Primary 21	13,281	0	3,455	1,624	544	30,000	48,904	5,149	0	5,149	100	0	43,755	
Primary 11	24,572	1,575	12,000	900	5,080	2,500	46,627	0	0	0	0	0	46,627	Yes
Primary 25	7,380	8,200	968	0	2,000	13,700	32,248	0	2,631	2,631	0	0	32,248	
Primary 12	1,253	512	2,013	0	2,761	800	7,339	0	6,809	6,809	0	0	7,339	Yes
Primary 23	1,300	0	6,828	0	2,644	11,333	22,105	8,395	0	8,395	100	0	13,710	
Primary 13	1,150	5,000	4,754	11,383	2,193	78,093	102,573	0	24,693	24,693	0	25,732	76,841	
Primary 19	19,760	10,500	5,000	6,635	3,000	57,000	101,895	900	0	900	100	0	100,995	No
Primary 24	0	146	1,718	150	388	14,140	16,543	2,146	0	2,146	100	0	14,397	No
Primary 14	0	694	2,601	830	1,234	25,055	30,413	0	0	0	0	7,262	23,152	No
Primary 15	3,824	2,175	2,764	265	4,131	32,105	45,264	3,728	0	3,728	100	17,197	24,339	Yes
Primary 28	15,500	0	1,753	0	0	48,500	65,753	3,361	2,237	5,598	60	4,300	58,092	Yes
Primary 20	740	3,013	1,257	420	0	10,339	15,769	392	1,891	2,283	17	11,963	3,414	
Primary 16	0	0	8,998	30	1,840	0	10,867	4,440	4,219	8,659	51	0	6,427	No
Total Primary	271,855	130,549	145,108	35,759	135,360	655,000	1,373,631	126,530	99,011	225,541	56	245,342	1,001,759	Yes = 14 No = 10 NR = 7
Average Primary	8,770	4,211	4,681	1,154	4,366	21,129	44,311	4,082	3,194	7,276	-	7,914	32,315	
Secondary 1	10,180	2,514	4,881	10,918	17,329	97,886	143,708	0	0	0	0	35,000	108,708	Yes
Secondary 2	4,200	0	7,528	0	27,445	8,819	47,992	0	0	0	0	0	47,992	Yes
Secondary 3	0	6,681	13,427	0	27,000	2,738	49,846	0	0	0	0	8,836	41,010	Yes
Secondary 4	6,419	19,184	3,961	1,429	6,165	4,251	41,409	0	0	0	0	0	41,409	Yes
Total Secondary	20,799	28,380	29,797	12,347	77,939	113,694	282,955	0	0	0	0	43,836	239,119	Yes = 4 No = 0 NR = 0
Average Secondary	5,200	7,095	7,449	3,087	19,485	28,424	70,739	0	0	0	-	10,959	59,780	
Special 1	0	2,500	4,000	0	7,500	1,500	15,500	0	3,305	3,305	0	0	15,500	Yes
Special 2	0	3,500	6,000	5,100	9,500	0	24,100	7,040	356	7,396	95	0	17,060	Yes
Total Special	0	6,000	10,000	5,100	17,000	1,500	39,600	7,040	3,661	10,701	66	0	32,560	Yes = 2 No = 0 NR = 0
Average Special	0	3,000	5,000	2,550	8,500	750	19,800	3,520	1,831	5,351	-	0	16,280	
Total All Schools	292,654	164,928	184,905	53,206	230,299	770,194	1,696,186	133,570	102,672	236,242	57	289,178	1,273,438	Yes = 20 No = 10 NR = 7
Average All Schools	7,910	4,458	4,997	1,438	6,224	20,816	45,843	3,610	2,775	6,385	-	7,816	34,417	

* Current Net Cost calculated as: Total additional cost - Claimed received - Significant savings in the summer term