

Agenda Item



Report Status

For information/note
For consultation & views
For decision

Report to Haringey Schools Forum –15th October 2020

Report Title: Covid-19 Emergency Fund – amount and criteria

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Purpose:

1. To update Schools Forum on the ESFA fund for Covid and how schools have been able to apply (section 2).
2. To:
 - a) inform members of the DSG Working Group’s proposed Covid Fund arrangements using the business rates rebate: and
 - b) provide to School’s Forum the options from the outcome of working group discussions

Recommendations:

1. School’s Forum note the ESFA Covid funding information, and
2. Schools Forum to determine how the Covid Emergency Support Fund will be distributed using one of the options set out in paragraph 3.3 below.

1 Introduction.

- 1.1 As discussed in December 2019 School's Forum there is a one-off reserve of funds because of a revaluation of schools for the business rates assessments. After individual allocations, the balance of the reserve was to be considered at a future School's forum.
- 1.2 In July 2020, Schools Forum agreed for a working group to be created to look at providing funding for Covid support. It was agreed to consider the balance of the business rates refund and also the residual uncommitted elements of the Schools in Financial Difficulty to create a pool of funds available to be distributed to ameliorate the budget pressures facing schools as a result of Covid.
- 1.3 On the 22nd of September, the DSG Funding working group met to discuss the difficulties facing schools and then came to two alternative solutions to present to School's Forum. These are set out in paragraph 3.3 below.
- 1.4 The table details the total amount available and funding sources as presented in the July 2020 School's Forum:

Covid Emergency Support Fund 2020 -21	Rates Refund	Schools in Financial Difficulty (DSG) 2019-20	Schools in Financial Difficulty (DSG) 2020-21
	"£'000"	"£'000"	"£'000"
Opening Balance	914	179	179
Business Rates Contingency for Coleridge in 2019-20	-48	0	0
Financial Management Support 2019-20	0	-67	0
Financial Management Support 2019-20 Carried Forward	-100	-53	0
Financial Management Support 2020-21	-100	0	-120
Closing Balance to be used for CESF	666	59	59

Total Fund for 2020-21	£784K
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A total of £784K is the total of the fund. The source of the funds available for distribution are £666k from business rates refund and £118k the uncommitted balance of schools in financial difficulty budgets for 2019-20 and 2020-21.

2 Scope of existing DfE Exceptional Costs.

- 2.1 The DfE's position in respect of the repayment of the exceptional funding that:
 - schools are not eligible to make a claim against the Exceptional Costs fund if they expect to add to their existing historic surpluses in their current financial year.

- School could only make a claim based on 3 broad factors and between March and July 2020:
 - free school meals costs for eligible children.
 - Additional premises related costs.
 - Additional cleaning as a result of Covid.
 - Loss of any income generation is not expected to be repaid.
- 2.2 The ESFA noted the administrative work to assessing applications for the fund which has meant a delay in passporting money to LAs for distribution to schools where the applications have been upheld.
- 2.3 Having noted the ESFA's comments around criteria and process, the working group sought to find an equitable solution that provides a fair distribution of the fund to schools with as little administrative burdens as possible by a) schools making the claims, and b) the working group/LA to check and assess all claims.

3 Business rate rebate – Working Group Proposals on how it should be spent

- 3.1 In July 2020, Forum agreed that a working party of Forum members and officers would meet to determine who the business rate rebate might be shared out in the best interests of our schools. As per the July 2020 Forum meeting, the only eligible schools that can access this fund are: LEA primary and secondary maintained schools and settings serving the 5 – 16 age group. Access to this fund does not include special schools, nurseries, academies, voluntary aided and free schools¹. It is based on the premise that the funding sourced was from the School's Block APT and through the rates allocation.
- 3.2 The Working Party unanimously agreed that there would be too much of administrative burden for all parties to enter a complex claims process for the fund and instead a degree of a flat share out of funding would be recommended. Appendix 1 to this report (Covid Fund Modelling) provides some general information on how this fund might be shared among eligible schools.
- 3.3 There two options for Schools Forum to consider and agree:
- Option 1– the total £784k shared across all the eligible LEA Maintained schools excluding Voluntary Aided. (£784k / 43 Schools). This means a flat rate share of £18,232.56 per school.
 - Option 2 –the total £784k shared across all the eligible LEA Maintained schools excluding Voluntary Aided with a threshold limit of £13k each. (43 Schools @ £13k each). This means a flat rate share of £13,000 per school, with a remaining pot of £225K to be open for a further bidding process based on exceptional Covid costs and reduced income which are not covered by the EFSA Covid cost reimbursement and where the school is in financial difficulty as a result.

Bids for a portion of the remaining pot will be encouraged to be submitted and it is recommended that these be reviewed by the Restructure and Scrutiny Panel. The bids will need to be based on the Q3 returns from

¹ These schools cannot access this fund because their business rates are not funded via APT

schools. Further information and criteria for bids will be advised through the DSG working group.

- 3.4 Options 1 provides a straightforward resolution, while under Options 2 the complexities of making judgements on eligibility and processing remain. However this option provides some equity amongst all eligible schools and an opportunity to use the remaining balance to address other Covid related concerns: such as the possibility of opening up the fund to settings that have no recourse to claim for DfE backed funding for Covid related costs, or to spend more strategically to support all specific Covid issues.
- 3.5 It should be noted that any unspent balances will have to be put back against the overall DSG overspend as this fund is time limited for the 2020-21 year only. The money therefore needs to be distributed by the end of this financial year. Whichever option is chosen, the passporting of funds to schools will be implemented after the October School's Forum, with funds distributed in the November cash flow run, i.e. either £18,232.56 or £13,000 provide to all eligible schools depending on the decision.
- 3.8 A further report or verbal update will be brought to the next School's Forum outlining how this matter has been progressed with our schools.

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