

Date of meeting:	Thursday, 21 May 2020
Title of report:	Implications of Covid-19 for the High Needs Budget
Type of report: Delete as required	For information only
Executive summary: Including reason for submission	The consequences of Covid19 for educational settings have had significant implications for elements of the High Needs budget, and created challenges in ensuring that we continue to deliver high quality outcomes and support for vulnerable and disadvantaged pupils. This paper provides an overview of the activity that has been taking place, and the issues that we will need to continue to develop and monitor working with Schools Forum.
Budget / Risk implications:	N/A
Recommendations:	To note the contents of the Report
Voting requirements:	N/A
Appendices: To be attached	None
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(Implications of Covid-19 for the High Needs Budget)**1.0 EXECUTIVE SUMMARY**

- 1.1 The consequences of Covid19 for educational settings have had significant implications for elements of the High Needs budget, and created challenges in ensuring that we continue to deliver high quality outcomes and support for vulnerable and disadvantaged pupils. This paper provides an overview of the activity that has been taking place, and the issues that we will need to continue to develop and monitor working with Schools Forum.
- 1.2 Section 2 of the report sets out the DfE positional statement in relation to the High Needs funding block, and sections 3 and 4 subsequently explore the implications for maintained schools and all other settings.
- 1.3 Finally, whilst sections 2,3, and 4 primarily describe the management and mitigation of financial impacts in a “steady-state” operation, Section 5 discusses and assesses the implications of Covid-19 for some developmental areas, where Covid-19 has the potential to delay / lead to a modification of plans that are in place.

2.0 HIGH NEEDS BLOCK – FUNDING CONTINUATION

- 2.1 The key message from the DfE is that the DSG funding stream will continue to be paid – and the following is an extract from the DfE guidance published on April 7th 2020.

“We have already confirmed that schools will continue to receive their core funding allocations – as determined by the local authority for maintained schools and through the general annual grant (GAG) for academies – for the 2020 to 2021 financial year (April 2020 to March 2021 for maintained schools and until August 2021 for academies and non-maintained special schools). This will happen regardless of any periods of partial or complete closure and will ensure schools can continue to pay staff and meet other regular financial commitments, as we move through these extraordinary times.

Local authorities will also continue to receive their high needs budgets and should continue to pay top-up and other high needs funding to schools. This will ensure that the employment and payment of staff supporting pupils with special educational needs and disabilities (SEND) can continue.

Similarly, where schools pay top-up or other funding for pupils attending alternative provision (AP), or pay for other SEND or AP services, we expect these payments to continue so that teachers and other staff can be paid in accordance with their existing employment contracts.

If placements and services for the summer term have not yet been agreed, schools should fund on the basis of previous patterns of placements and commissioning.”

- 2.2. At a headline level, this guidance indicates that funding should continue to flow from DfE through to High Needs DSG allocations, and then through to individual settings, so that the financial side of the school / education setting operation should not be disrupted.

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- 2.3. However, there has been an acknowledgement from the DfE that :-
- (a) The above statement does not fully protect schools and education settings from the implications of Covid-19 (see section 3 of the report)
 - (b) The arrangements that apply to educational settings that are not maintained Special schools are more complex and nuanced (see Section 4 of the report)
- 2.4. At this stage it is also worth emphasising that managing and mitigating the financial consequences of Covid-19 is just one aspect of the support needed to ensure that provision to pupils with EHCPs can be maintained. In the case of North Yorkshire Special schools, daily meetings have been conducted with leaders from the Inclusion Service to ensure that appropriate guidance and interpretation of government guidance is in place, and that support could be rapidly mobilised to ensure schools were supported in their key function of meeting the needs of pupils with EHCPs.

3.0 REIMBURSEMENT OF SCHOOLS EXCEPTIONAL COSTS

- 3.1 As discussed above, the basic premise of school funding arrangements during the Covid-19 disruption period, is that schools should continue to receive funding from the schools or high needs budget, and that therefore they should be able to continue existing arrangements in terms of paying staff and existing contractual commitments.
- 3.2. Special schools are covered by the same arrangements as those that apply to mainstream settings. Schools can seek recompense for exceptional costs from the DfE – but the areas of legitimate expenditure are tightly and narrowly defined by the DfE, and there are financial boundaries in terms of the sums that can be claimed. Finally, as is evidenced in the guidance below, the requirement for robust record keeping is essential to schools claiming relief:

How schools can access funding

- *Funding will be available to cover costs relating to [specific items](#). These items are ones we judge are likely to be necessary to allow schools to provide appropriate support to those children who will continue to attend school under the current arrangements.*
- *Funding will be available to schools that are unable to meet such additional costs from their existing resources, or which they could only meet by drawing down on reserves and undermining their long-term financial sustainability.*
- *While we are not asking schools to draw on existing reserves to meet these costs, we do not expect schools to make a claim against this funding if they are anticipating that they will be able to add to their reserves in the 2020 to 2021 financial year.*
- *We are asking schools to make the necessary payments from their existing budgets and record these in line with local finance policies. In June, we will publish further guidance for schools on the process for informing us of any additional costs relating to coronavirus (COVID-19). We understand the significant challenges schools are facing at present and will therefore make the process for reporting this information as simple as possible. We will then make payments – direct to academies, or to local authorities to pass onto their schools – to reimburse schools for costs they apply for up to the limits set out below.*

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- *We understand this is a very challenging time for schools. We encourage all schools to continue to manage their budgets in the most effective way possible, and to redirect their existing resources to best support all their pupils, particularly vulnerable children and children of critical workers, in the current circumstances.*
- *We have identified areas where we believe is it most likely that schools may face additional costs, as a result of the coronavirus (COVID-19) outbreak.*
- *These are:*
 - ***increased premises related costs*** (including utilities and resources needed to keep the school open, such as hygiene services) 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 (FSM) for eligible children who are not attending school***, where those costs are not covered by the FSM [*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)*
 - ***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
- *If a school faces other, extraordinary costs to deliver appropriate support to their pupils through this period that are not covered by this list and cannot be met by existing budgets, they should contact DfE.CoronavirusHelpline@education.gov.uk. Other queries should continue to be directed towards central enquiry channels.*

4.0 SUPPORT TO INDEPENDENT PROVIDERS

4.1 The position in relation to Independent and non-maintained providers is more complex – because whilst the high-level commitment from the DfE is in place in relation to the High Needs block, there are a number of other schemes and initiatives which are available to these providers.

4.2 Our guiding principles in managing these challenges with the sector have been:

- (a) Ensuring that we communicate clearly and quickly with the sector, recognising that there will be occasions where DfE guidance evolves and leads to modifications in our position
- (b) Ensuring that we avoid any un-necessary disruption to existing placements for vulnerable children and young people
- (c) Ensuring that providers are encouraged to continue to offer support to children and young people during the period of disruption, recognising that this is conditional upon the views of parents and carers

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- 4.3 As a first step in guaranteeing the continuity of placements, we have paid providers for the period April through to June 2020 – and have committed that where any provider maintains a full offer to children and young people with placements, there will be no change to our financing arrangements. However, the situation becomes more complex, where providers have either had to discontinue provision, or have been able to access support from other Government funding initiatives.
- 4.4 The council will be issuing a letter to all High Needs Providers outlining that we will continue to pay providers as per the contract terms. Acknowledging that in some instances full service delivery may not be taking place, there may be a requirement to undertake reconciliation at a later date. The purpose of the reconciliation is to ensure there has been no double funding i.e. providers accessing other central Government COVID financial support and receiving full payment. This is a requirement of the PPN 02/20.
- 4.5 In addition, the Council will be reviewing the payments to be made for the 2020-21 academic year, commencing in August, in line with central Government guidance.
- 5.0 IMPLICATIONS FOR CHANGE PROGRAMMES
- 5.1 The most significant programme where Covid-19 has the potential implication to delay the implementation of new arrangements is in relation to Phase 1 of the roll-out of Targeted Provisions. We are working closely with individual schools to ensure that works and staffing recruitment can progress as quickly as possible, mindful of the uncertain position (and an update on this particular development appears elsewhere on the agenda)

STUART CARLTON

Corporate Director – Children and Young People's Service