**Communication from School Funding Team 20 March 2020**

Dear Colleagues,

This is the second message from School Funding Team on the current coronavirus situation and is communicated following the government’s announcement on the closure of schools made on 18 March.

<https://www.gov.uk/government/news/schools-colleges-and-early-years-settings-to-close>

Firstly, to repeat two key points in our first message on two immediate changes to what we are asking of maintained schools:

         The application of the **Surplus Balances Protocol** (Intended Use of Balances) is suspended for 2019/20. This means that schools are not required to submit IUB returns / schemes in support of balances held above their thresholds. We will still wish, at an appropriate time, to discuss school plans for the use of significant surplus balances held at 31 March 2020, but we do not require schools to submit IUB returns before the 31 March. This is a suspension for 2019/20 only.

         The formal deadline for the submission of **governor approved budgets** is pushed back from 15 May to 30 June, in line with the final deadline for 3 year budgets. If schools are able to submit their authorised budgets by 15 May, you are encouraged to do so. However, the final formal deadline for submission is 30 June. We ask however, that schools that anticipate that they will set a deficit budget in 2020/21 contact School Funding Team at the earliest opportunity (and before 30 June) to discuss this.

Secondly, quickly covering a number of separate individual matters:

* We have not received any wholesale guidance yet from the DfE regarding any implications of the current situation on **school core formula and grant funding**.With this caveat,as most funding that schools are scheduled to receive in 2020/21 has been announced already and would normally be calculated on censuses that have already been taken (October 2019, January 2020), our assumed starting point is that the vast majority of core school formula and grant funding will be unaffected in 2020/21 by the current situation. We have previously flagged that the position of certain grants from / after September 2020 (UIFSM, Year 7 Catch Up Premium, PE and Sports Premium, FSM Supplementary Grant) are still to be announced. The values of the Teacher Pay and Pensions Grants from September 2020 are also still to be announced. We will continue to pass on information on funding as we get it.
* The DfE has specifically confirmed that the funding local authorities receive for the early years entitlements for the summer term is unaffected by the current situation. We will be publishing very soon some further information on our general approach to the funding of the **early years entitlements** in the summer term responding to the difficulties that the current situation may bring. This will be published on [Bradford Schools Online](https://bso.bradford.gov.uk/content/latest-news-and-updates-from-school-funding-team).
* Regarding **high needs funding (top up for EHCPs)**,which is normally updated monthly, on a 10th of the month census, for the movement of pupils and new EHCPs / EHCP revisions, we anticipate over the coming period continuing to fund schools based on the EHCP pupil data used to calculate March’s top up funding but using the new Banded Model. So, we will adjust funding in April for the new Banded Model, but it is probable that no changes will be made over the summer term in the basic EHCP pupil data that this funding is calculated on. This is because it will likely be very difficult to complete the normal data capture and validation processes. In reality, it is unlikely that there will now be significant movement of pupils ‘on and off roll’ across the summer term and therefore, the March data will remain mostly accurate but for adjustments that may come from Panel decisions. If we are able to capture changes, including Panel decisions, we will incorporate these.

Unfortunately, we will not be in a position to send out immediately to schools a full pupil EHCP list showing the transfer of existing EHCPs from the old ranges system to the new Banded Model. We will confirm this transfer, and also we expect to manage any issues around the accuracy of top up funding over the summer term, at an appropriate time.

* There is a [communication](https://bso.bradford.gov.uk/news/19186-covid-19-continuity-of-free-school-meal-provision) on BSO regarding **free school meals provision and FM catering cost review**. The government’s announcement (link above) also refers to the provision and reimbursement of vouchers for FSM pupils. Further details on this are published here but are to be added to:

<https://www.gov.uk/government/news/plans-set-out-to-support-pupils-eligible-for-free-school-meals>

<https://www.gov.uk/government/publications/covid-19-free-school-meals-guidance>

* As a minor point, we will suspend the **LTFM Scorecard** for quarter 1. No maintained schools will incur new points in Q1 (and points that were incurred in Q1 last year will drop out).
* We are aware that **cashflow** may become an issue, where maintained schools are not collecting income in the way they normally would and may also be incurring additional expenditure. The bank adjustment (where we owe cash to schools from 2019/20), because it comes after financial year end close, will also not take place at the usual time. Maintained schools will receive two cash advances in April as normal. We will further frontload cash to maintained schools by adjusting the second April cash payment a) by reducing the staffing and catering deductions applied to part budget share schools to 75% of their annual values and b) by uplifting the advances for all maintained schools by 10%. This enhancement in April will be recovered through lower advances across the remaining 11 months of the 2020/21 financial year. This adjustment is designed hopefully to support the vast majority of potential additional cash needs. However, if you identify that you have cashflow problems, please contact schoolfundingteam@bradford.gov.uk
* We are also aware that the current situation is likely to have some **budgetary impact** on schools. Two immediate causes will be loss of income (from, for example, before and after school clubs, facilities lettings, childcare, fundraising activity) and the necessity to incur additional exceptional spend (for example, supply cover, cleaning and hygiene services, site security, additional ICT equipment and licences). At an appropriate time, we will wish to collect information from maintained schools on the budget impact of this situation. It will be helpful therefore, if you could begin to identify and record these impacts in your school.
* Regarding the **procurement** of additional services and goods, we would remind schools of the requirement to comply with the [Schools Contract Standing Orders](https://bso.bradford.gov.uk/content/school-financial-procedures). These Standards Orders do give flexibility to procure goods and services up to a value of £10,000 without the absolute requirement to invite written quotations and also do include provision that enables exceptions to the requirements of competition for higher value spending for “the execution of works or the supply of goods and services that are required so urgently as not to permit compliance with the requirements of competition”. Authorised officers in schools should always comply with their delegated limits and with the approach to the authorisation of spending on urgent action that has been agreed with their governing bodies. We would encourage school leaders, as best as possible, to keep their governors informed of additional spending that is being incurred.
* Please can we also remind schools to remain vigilant to **fraud**, including invoice re-direction, bank account detail changes requests, bogus boss requests for payments etc. Below are some links to resources and information, including on specific coronavirus related scams.

<https://personal.natwest.com/personal/fraud-and-security/fraud-guide.html>

<https://www.business.natwest.com/business/security/common-business-scams.html>

<https://www.business.natwest.com/business/security.html>

If you come across any potential fraud attempt, please let us know via schoolfundingteam@bradford.gov.uk

Thirdly, covering the 2019/20 **financial year end closedown**:

* We would ask that schools continue to prepare as best as possible for the completion of the financial year end as set out in our current guidance.
* We ask, if you are able to do so and have not already, to inform us at schoolfundingteam@bradford.gov.uk  as soon as possible if you will have a problem meeting the current year end timetable. This will help our general understanding of what is going on.
* Please also do not hesitate to contact a member of School Funding Team if you have any concerns or matters you wish to talk through regarding financial year end.
* We accept that it is now not practical to expect all schools to complete their year end returns according to the 3 April timetable. We accept that we will need to give a number of schools more time to complete this. The number will depend on what happens over the next few weeks. We are not setting an alternative deadline date. We would like schools, that can, to complete their year ends according to the original timetable or as close as possible to this. Where we haven’t received a return by the end of the official Easter holidays, by Monday 20 April, we will begin to engage with schools individually (and also with their bursars where appropriate) to understand their positions. In this, it will help us if you can actively notify us of what your position is by phone or email to schoolfundingteam@bradford.gov.uk
* The key message at this time is that we will still require schools to close down the 2019/20 financial year in the way, and on the basis, our [guidance](https://bso.bradford.gov.uk/Secure/CMSPage.aspx?mid=243) currently sets out. We also still require all the information to be submitted as set out in our guidance.

Schools must not do anything else other than close down in this way.

This will likely mean that schools that need more time to close will need to run with two years open on their FMS systems – both 2019/20 and 2020/21.

Under no circumstances must schools close their 2019/20 year (either a preliminary or a final close) until they have fully completed their year end close, which includes matching their FMS systems to the Council’s ledger, where the Council’s ledger will include the final March bank reconciliation, based on a 31 March 2020 bank statement, and year end external and internal accruals postings.

So simply, the process for year end does not change, it is just that schools will have more time to complete it where more time is needed.

To help with this process, schools may wish to think about the extent to which they submit accruals; our guidance already states that, “It is not necessary to declare individual assets or liabilities where the value is less than £1,000, unless they are deemed to be significant (e.g. for small schools)”.

Schools must also take extra care to ensure that, when holding two years open in FMS, transactions that relate to the new financial year are posted to 2020/21 not back into 2019/20.

Again, please do not hesitate to contact a member of School Funding Team if you have any concerns or matters you wish to talk through regarding financial year end. Please continue to contact your system help provider for technical systems advice.

Fourthly, covering some wider matters:

* If you have completed your **SFVS return**, and have had this authorised by governors, please submit. Please do not wait until you can submit your final March bank reconciliation return to do this. Please contact Karl Pease (Assistant Audit Manager karl.pease@bradford.gov.uk 01274 432249) if you have any specific questions regarding the submission of the SFVS.
* If you are able to send in your **internal assets and liabilities returns** please do so. Please do not wait until you can submit your final March bank reconciliation return to do this.
* Please continue to submit **VAT returns** according to the normal timetable as best as possible. Our timing of reimbursement may be affected where we do not have information from schools at the point we need to process the cash advances.
* **Interim SAP reports** for March were uploaded to BSO on 18 March.
* Please continue to regularly **check** [Bradford Schools Online](https://bso.bradford.gov.uk/content/latest-news-and-updates-from-school-funding-team) for updates.