Part of
Education and childcare during coronavirus

Department for Education

Guidance

Coronavirus (COVID-19): financial support for education, early years and children's social care

Updated 18 January 2021

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Main changes to previous guidance

The guidance has been updated to reflect the extension of the Coronavirus Job Retention Scheme (CJRS) to 30 April 2021.

Application of coronavirus (COVID-19) support for businesses and government funding for the education, early years and children's social care sectors

The government has put in place a number of funding and financial measures to support organisations – both public and private – during the coronavirus (COVID-19) outbreak. These are intended to be temporary, timely and targeted, to support public services, people and businesses through this period of disruption. This guidance sets out the financial support that is available for different types of education, early years and children's social care providers in England. If you are not an education, early years and children's social care provider in England, you should be able to get more information about the types of financial support available to you from other relevant government departments or devolved administrations.

No organisation should profit from the exceptional financial support available, and should therefore only access the support required. For example, organisations which continue to receive government funding should not furlough staff whose salaries that funding could typically be considered to fund, and therefore will not need to access the

CJRS.

All organisations are expected to have adequate and effective governance arrangements and controls in place to ensure public funding is spent effectively and appropriately.

Funding and financial support for businesses

Continued government funding for activities

For many programmes, government will continue to provide funding at normal rates, for example core funding for schools through the dedicated schools grant (DSG), to ensure business continuity and payment of staff. Local authorities will also continue to receive high needs funding as part of the DSG and should continue to pass this on to providers (including the top-up funding in respect of individual children and young people) at the normal rates.

Where funding continues to be paid, we expect providers to continue to provide that service in so far as is possible, and in accordance with the relevant guidance. Where activities have changed, staff should be redeployed as best supports the coronavirus (COVID-19) response and should continue to be paid as normal, even if typical duties cannot be carried out.

Support for business that pay business rates

In addition to existing business rates reliefs, the government has outlined further support via the business rate system which may be relevant to the education, early years and children's social care sectors:

- an additional Small Business Grant Scheme to support small businesses that already pay little or no business rates because of small business rate relief (SBRR), rural rate relief (RRR) and tapered relief. This will provide a one-off grant of £10,000 to eligible properties
- a business rates holiday for many nurseries in England for the 2020 to 2021 tax year. Properties that will benefit from the relief will be occupied by providers on Ofsted's Early Years Register, and wholly or mainly used for the provision of the Early Years Foundation Stage. Billing authorities may not grant the relief to themselves

Any enquiries on eligibility for, or provision of, the grants or holidays should be directed to the relevant billing authority.

Coronavirus (COVID-19) Business Interruption Loan Scheme

The Coronavirus Business Interruption Loan Scheme will help to support long-term viable businesses which may need to respond to cash-flow pressures as a result of the virus by seeking additional finance.

The scheme supports small and medium-sized enterprises (SMEs) with access to loans, overdrafts, invoice finance and asset finance of up to £5 million and for up to 6 years.

The scheme is administered by commercial lenders, designed for UK-based organisations not classified as public sector.

Read more about the coronavirus (COVID-19) Business Interruption Loan Scheme and how to apply.

Coronavirus (COVID-19) Large Business Interruption Loan Scheme

The Coronavirus Large Business Interruption Loan Scheme (CLBILS) is a government-backed loan scheme administered by commercial lenders.

Viable UK-based businesses, with a turnover of more than £45 million per year, will be able to apply for up £25 million of finance. Firms with a turnover of more than £250 million will be able to apply for up to £50 million of finance.

Loans backed by a guarantee under CLBILS will be offered at commercial rates of interest.

Read more about the CLBILS and how to apply.

COVID-19 Corporate Financing Facility

The COVID-19 Corporate Financing Facility (CCFF) is a facility designed to support liquidity among larger firms, helping them to bridge coronavirus (COVID-19) disruption to their cash flows through the purchase of short-term debt in the form of commercial paper.

The CCFF provides funding to businesses by purchasing commercial paper of up to one-year maturity, issued by firms making a material contribution to the UK economy. This facility will primarily provide bridging support to businesses to see them through the temporary nature of coronavirus (COVID-19)-related disruption.

Read more about the CCFF scheme and how to apply.

Statutory Sick Pay (SSP) relief for small and medium-sized enterprises

The government has introduced a rebate scheme to allow small and medium-sized businesses to reclaim Statutory Sick Pay (SSP) paid for staff sickness absence due to coronavirus (COVID-19). This refund will cover up to 2 weeks' SSP per eligible employee who has been off work because they have been ill with the virus or have had to self-isolate because of it.

Employers must maintain records of staff absences.

Read more about the SSP relief for SME's scheme.

Coronavirus Job Retention Scheme for furloughed workers

CJRS is designed to support employers whose operations have been severely affected by coronavirus (COVID-19) by providing them with a grant to help them to continue paying part of their employees' wages who would otherwise have been laid off during this outbreak.

The scheme will ensure furloughed staff receive up to 80% of their usual monthly wage costs, up to £2,500 a month, plus the associated Employer National Insurance contribution and minimum automatic enrolment employer pension contribution on that wage.

The scheme is available to all UK employers, including charities, which had created and started a PAYE payroll scheme on or before 19 March 2020.

The government expects that the scheme will not be used by many public sector organisations, as most public sector employees are continuing to provide essential public services or contribute to the response to the coronavirus (COVID-19) outbreak.

Where employers receive public funding for staff costs, and that funding is continuing, we expect employers to use that money to continue to pay staff in the usual fashion – and correspondingly not furlough them. This also applies to non-public sector employers who receive public funding for staff costs.

Organisations that are receiving public funding specifically to provide services necessary to respond to coronavirus (COVID-19) are expected not to furlough staff.

In a small number of cases, for example where organisations are not primarily funded by the government and whose staff cannot be redeployed to assist with the coronavirus response, the scheme may be appropriate.

Find out more about the Coronavirus Job Retention Scheme - this guidance page was updated on 17 December 2020 to include details on how the scheme has been extended to 30 April 2021.

Procurement Policy Notes 02/20 and 04/20

In March 2020, the Cabinet Office published the Procurement Policy Note 02/20 – supplier relief due to COVID-19' (PPN 02/20). This provided information and guidance for public bodies that are contracting authorities on how to support critical suppliers 'at risk' due to coronavirus (COVID-19) on a continuity and retention basis so they are better able to cope with current challenges and to resume normal service delivery and fulfil their contractual obligations when the outbreak is over.

In June 2020, the Cabinet Office published the Procurement Policy Note 04/20 – Recovery and Transition from COVID-19 (PPN 04/20). This updated and built on the provisions contained in PPN 02/20. PPN 04/20 is effective from 1 July 2020 to 31 October 2020 and advises contracting authorities to work in partnership with their suppliers to develop transition plans to exit from any support as soon as reasonably possible.

The procurement policy notes are applicable to all contracting authorities including central government departments, executive agencies, non-departmental public bodies, local authorities, NHS bodies and the wider public sector. They cover procurements carried out under the Public Contract Regulations 2015, Defence and Security Public Contracts Regulations 2011, the Utilities Contracts Regulations 2016 and the Concession Contracts Regulations 2016.

Contracting authorities will need to ensure that spending is regular, proper and value for money and conduct appropriate and proportionate due diligence to ensure any relief provided is necessary for the continuity of supply of a critical service.

Read more about the Procurement Policy Note 02/20 – supplier relief due to COVID-19' (PPN 02/20) guidance and Procurement Policy Note 04/20 – Recovery and Transition from COVID-19 (PPN 04/20).

This guidance is intended to offer a view of the likely suitability of each of the schemes, based on provider type. For further guidance on eligibility criteria of the support packages, please refer to their respective guidance page.

Which options should be used

Due to the variety of organisations in the education, early years and children's social care sectors and the different types of support on offer, it may be appropriate for organisations to access a mixture of different support. However, we expect that all relevant organisations should first consider any potential options to reduce their operating cost and secure commercial loans (including CBILS, CLBILS and CCFF) before seeking to access grant paying schemes like the CJRS or seeking specific support from the Department for Education (DfE).

For organisations that are classified as public sector, and where there is continued public funding, staff that are supported by that public funding should not be furloughed. For public sector organisations where there is also private income which ceases or has reduced, it may be appropriate to furlough staff who would typically be paid from that private income, subject to the 5 conditions.

We would encourage organisations to first consider how they would be able to redeploy their existing workforce to help support the coronavirus (COVID-19) response. Educational settings that are in receipt of some public funding should only furlough employees, and therefore seek support through the CJRS, if they meet the following conditions:

- the employee works in an area of business where services are temporarily not required and where their salary is not covered by public funding
- the employee would otherwise be made redundant or laid off
- the employee is not involved in delivering provision that has already been funded
- the employee is not required to deliver provision for an attending child
- the grant from the CJRS would not lead to financial reserves being created

On 29 May, the Chancellor announced that from 1 July employers can bring furloughed employees back to work for any amount of time and any shift pattern, while still being able to claim a grant for the hours not worked. To be eligible to claim for an employee from this date, an employer must have previously submitted a claim for this employee in relation to a furlough period of at least 3 consecutive weeks taking place any time between 1 March 2020 and 30 June. For the minimum 3 consecutive week period to be completed by 30 June 2020, the last day the employee could have been furloughed for the first time was 10 June 2020. This may differ if the employee were returning from statutory parental leave.

Since August, employers have been required to contribute to the cost of furloughing. Support through the scheme has recently been extended until 30 April 2021. Full details can be found in the Check if you can claim for your employees' wages through the Coronavirus Job Retention Scheme guidance.

As the economy begins to reopen, we would expect some employers to see a portion of their private income stream returning and be able to begin bringing staff off furlough and back to work. Any claim through the CJRS should continue to be proportionate to lost income. It is also essential that the grant from the CJRS should not be duplicative of other public grants that your organisations may receive. Employers are responsible for ensuring that they have followed the relevant guidance and that the information they have provided is accurate. The HM Revenue and Customs (HMRC) CJRS helpline can offer further advice - see get help with the Coronavirus Job Retention Scheme for more information.

If you think that you may have made an error in your application, then you should contact the HMRC helpline to discuss this further.

DfE is considering appropriate measures to monitor use of these schemes in order to detect any duplication of funding, and will be considering potential options to recover misused public funding as required.

Sector-specific guidance

Early years

This section will be relevant to early years providers that are employers, and that usually have a mix of public income (largely this will be funding for the free early education entitlements, also known as dedicated schools grant or 'DSG' funding) and private income (largely this will be the fees that parents pay for childcare beyond the free entitlements).

Childminders are less likely to be employers and therefore are less likely to be eligible for support via the Coronavirus Job Retention Scheme (CJRS). Childminders may find the Self Employment Income Support Scheme more relevant. Maintained nursery schools should take account of the guidance in this section. For school-based nursery provision, please refer to the 'schools' section.

From 1 January 2021

In the spring term 2021, local authorities' funding to providers should return to the normal approach of funding on the number of entitlement hours delivered. The following guidance is relevant to EY providers being funded on this basis.

We recognise that many early years providers rely on a mix of DSG funding and other income streams such as parental fees. Where DSG funding has reduced, or non-public income has ceased or reduced, it may be appropriate for providers to seek support from the CJRS to furlough staff. Providers should only furlough employees if they meet the following conditions:

- the employee works in an area of business where services are temporarily not required and whose salary is not covered by public funding
- the employee would otherwise be made redundant or laid off
- the employee is not involved in delivering provision that has already been funded
- the employee is not required to deliver provision for an attending child
- the grant from CJRS would not duplicate other public grants received and would not lead to financial reserves being created

If it is difficult to distinguish whether staff are funded through continuing public funding, for the purposes of meeting the first 3 conditions listed, then the total proportion of staff (based on gross payroll) that are retained (for example, not furloughed) should, as a minimum, be equivalent to the continuing DSG funding, as a proportion of all income that the provider usually receives. For example, if the current DSG funding is equivalent to 25% of normal total income, then this should be the proportion of staff (based on gross payroll) that could not be furloughed.

Where providers consider furloughing staff, they should ensure that they take a fair and reasonable approach to part-time, sessional and temporary staff, reflective of good HR practice and legal requirements.

We would expect nurseries and childminders to bring staff off furlough and back to work as demand increases. In practice this will mean that, for example, if they have furloughed 6 members of staff, and they need 3 back at work in order to meet demand for childcare, then they should bring 3 staff off furlough and back to work, and reduce their claim on the CJRS accordingly.

We encourage providers to keep in contact with their local authority about their circumstances to ensure they have the information they need to help with local planning and ensure that parents have access to the places they need.

Some early years settings may also be eligible for financial support from other government schemes, including from the Local Restrictions Support Grant (for open businesses). The details and eligibility criteria for these funds can be found in the guidance for Financial support for businesses during coronavirus (COVID-19).

Further guidance on actions for early years and childcare providers during the coronavirus (COVID-19) outbreak is available.

DfE is considering appropriate measures to monitor the use of these schemes in order to detect any duplication of funding, and will be considering potential options to recover misused public funding as required.

Before 1 January 2021

On 17 March 2020, the Chancellor confirmed that the government will continue to pay local authorities for free early years entitlement places for 2, 3 and 4 year olds to support providers at this time. On 18 March 2020, the government also announced a business rates holiday for many nurseries in England for the 2020 to 2021 tax year. Read the business rates: nursery (childcare) discount 2020 to 2021: coronavirus response – local authority guidance.

From 1 June, early years settings have been able to open to all children. As previously, employers should only access the CJRS if necessary, and only if the conditions set out continue to be met.

Private sector nurseries and childminders should only furlough employees, and therefore seek support through the CJRS, if they meet the following conditions:

- the employee works in an area of business where services are temporarily not required, and where their salary is not covered by public funding
- the employee would otherwise be made redundant or laid off
- the employee is not involved in delivering provision that has already been funded (free entitlement funding)
- the employee is not required to deliver provision for an attending child
- the grant from the CJRS would not duplicate other public grants received, and would not lead to financial reserves being created

If it is difficult to distinguish whether staff are funded through free entitlement or private income for the purposes of meeting the first 3 conditions as listed, then an early years provider can access the CJRS to cover up to the proportion of its salary bill which could be considered to have been paid for from that provider's private income. This would typically be income received from 'parent-paid' hours that have not yet returned as a result of coronavirus (COVID-19), and excludes all income from the government's free entitlements (or 'DSG income') for all age groups.

In line with the conditions of the scheme listed, providers should use the month of February 2020 to represent their usual income in calculating the proportion of its salary bill eligible to be covered by the scheme, taking into account parent-paid income that has returned. Providers should adjust these proportions in subsequent furloughing applications if their income from the government's free entitlements changes.

> **To illustrate**
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> If a provider's average monthly income is 40% from DSG and 60% from other income, the provider could claim CJRS support for up to 60% of their salary bill, depending on the amount of parent-paid income that has returned. This would be done by furloughing staff whose usual salary or combined salaries come to no greater than 60% of the provider's total salary bill.
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> These proportions could change in subsequent furlough applications as a result of DSG income changing. For example, if this provider subsequently receives additional DSG income from a local authority as a result of providing additional hours of childcare, such that its new DSG income would represent 55% of its total income in February, then its maximum use of the furlough scheme should, from that point, be reduced to 45% of its salary bill.

Both before and after 1 January 2021

We would expect nurseries and childminders to bring staff off furlough and back to work as demand increases. In practice this will mean that, for example, if they have furloughed 6 members of staff, and they need 3 back at work in order to meet demand for childcare, then they should bring 3 staff off furlough and back to work, and reduce their claim on the CJRS accordingly.

We encourage providers to keep in contact with their local authority about their circumstances to ensure they have the information they need to help with local planning and ensure that parents have access to the places they need.

Some early years settings may also be eligible for financial support from other government schemes, including from the Local Restrictions Support Grant (for open businesses). The details and eligibility criteria for these funds can be found in the guidance for Financial support for businesses during coronavirus (COVID-19).

Further guidance on actions for early years and childcare providers during the coronavirus (COVID-19) outbreak is available.

DfE is considering appropriate measures to monitor the use of these schemes in order to detect any duplication of funding, and will be considering potential options to recover misused public funding as required.

Children's social care providers

Ensuring that vulnerable children remain protected is a top priority for government. Our aim is to ensure that children's social care providers are able to continue to provide care to vulnerable children and to operate effectively during the coronavirus (COVID-19)

outbreak.

We are asking providers to remain open and to continue to deliver care and support to their vulnerable children and young people. We would anticipate local authorities continuing to fund any contracted or commissioned providers, but where appropriate, providers may wish to consider accessing support measures for which they may be eligible to help them remain operational during this period, such as the business interruption loan schemes. Please refer to the respective guidance page for more information.

As placements will continue to be needed, local authorities will continue to pay fees to children's social care providers. As these payments for essential services will continue, we would expect providers not to furlough staff, and for provision to remain available to support vulnerable children. The government has also announced £3.7 billion of extra funding for local authorities to help address pressures arising from coronavirus (COVID-19), including in children's social care.

In the rare circumstances that providers feel they have no choice but to furlough staff, they should only seek support through the CJRS if they meet the following conditions:

- the employee works in an area of business where services are temporarily not required and whose salary is not covered by public funding
- the employee would otherwise be made redundant or laid off
- the employee is not involved in delivering provision that has already been funded
- the employee is not required to deliver provision for a vulnerable child
- the grant from the CJRS would not duplicate other public grants received and would not lead to financial reserves being created

State-funded schools

This includes maintained schools, academy trusts, alternative provision, non-maintained special schools, state funded boarding schools and school-based nursery provisions. Maintained nursery schools should refer to the early years section.

Mainstream state-funded schools

Local authority-maintained schools (including pupil referral units) and academies (including free schools) will continue to receive their budgets for the coming year, as usual, regardless of any periods of partial or complete closure. That will ensure that they are able to continue to pay their staff, and meet their other regular financial commitments, as we move through these extraordinary times. We know that schools may face additional costs as a result of coronavirus (COVID-19). We have put in place additional support to help schools meet these costs; school funding: exceptional costs associated with coronavirus (COVID-19)guidance is available on this additional funding.

We do not, in general, expect schools to furlough staff. However, we understand that, in some instances, schools may have a separate private income stream (for example, catering, sports facilities lettings, or boarding provision funded by parents in state boarding schools). Where this income has either stopped or been reduced and there are staff that are typically paid from those private income streams, it may be appropriate to furlough staff. Schools should first seek to make the necessary savings from their existing budget or consider options to redeploy these staff before furloughing them. Only after all other potential options have been fully considered should schools furlough those members of staff and seek support through the CJRS.

The following conditions need to be met:

- the employee works in an area of business where services are temporarily not required and whose salary is not covered by public funding
- the employee would otherwise be made redundant or laid off
- the employee is not involved in delivering provision that has already been funded
- the employee is not required to deliver provision for an attending child
- the grant from the CJRS would not be duplicative to other public grants received and would not lead to financial reserves being created

Where these conditions are met, schools should receive a grant from the CJRS which is in line with the proportion of its salary bill which could be considered to have been funded by a school's private income.

> **To illustrate**
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> If a school's average monthly private income stream (for example, from parent-paid schools meals) provides 4% of the schools' overall income, the school could claim support through the CJRS for up to 4% of its salary bill, after exhausting options to meet costs from existing budgets and redeployment. This would be done by furloughing staff (e.g. catering staff) whose usual salary or combined salaries are linked with the income lost and come to no greater than 4% of the provider's total salary bill. Schools are not expected to consider each stream of private income separately so a school should consider its total income from private sources, as a proportion of its overall income, and the pay of all the staff it propose to furlough, as a proportion of its total salary bill.

DfE is considering appropriate measures to monitor the use of this scheme in order to detect any duplication of funding and will be considering potential options to recover misused public funding as required.

Supply teachers and other contingent workers in state-funded schools

> This section on supply staff in schools is out of date. The Cabinet Office policy procurement notices 02/20 and 04/20 are no longer in effect. We will publish updated information shortly.

This guidance sets out the general principles that state-funded schools (hereafter referred to as 'schools' in this section) and employment intermediaries (hereafter referred to as 'agencies' in this section) should follow for contingent workers during the coronavirus (COVID-19) outbreak.

Where schools are the workers' direct employer

Schools will continue to receive their budgets for the coming year as usual, regardless

of any periods of partial or complete closure. This will ensure that they are able to continue to pay for staff and meet their other regular financial commitments.

Hence, we expect schools to ensure any employees funded by public money continue to be paid in the usual fashion from their existing staff budgets, and correspondingly not furloughed, in line with the HMRC guidance for public sector organisations.

Where schools have live assignments with contingent workers, and where the school is the workers' employer, schools should continue to pay these workers from their existing school budgets and not furlough them.

Where schools have terminated contracts with contingent workers due to coronavirus (COVID-19) earlier than the original terms set out, and where the school was the workers' employer under that contract, schools should reinstate these contracts on the terms previously agreed, as long as the contractor is not already accessing alternative support through another government support scheme.

Where schools or local authorities use public funding to employ staff directly but on an ad-hoc basis, for instance staff who work on a zero-hours or casual basis, they may continue to engage these people where they are needed during this period. If these staff continue to be provided with work they should be paid as normal under the terms of their contracts, from existing financial budgets.

Where schools or local authorities had expected to use their public funding to engage such staff and had budgeted for this, but work is no longer needed due to coronavirus (COVID-19), we encourage schools to pay the staffer at 80% of their typical pay, in a similar way to agency workers who were on live assignments when schools began closing or reducing capacity. Schools should calculate the 80% by conducting a retrospective review of the previous 12 weeks (or as many weeks as the contingent worker has been on assignment) to determine the average days or hours worked. This average should be used to underpin the calculation of 80% of gross pay for the employee (up to a £2,500 monthly cap to align treatment of casual direct hire workers with casual agency workers). The total amount payable should be limited to the amount the school or local authority had originally budgeted for such staff from their public funding.

Where schools are not the workers' direct employer

Schools are advised to refer to all parts of the Procurement Policy Note 02/20 – supplier relief due to COVID-19' (PPN 02/20) and Procurement Policy Note 04/20 – Recovery and Transition from COVID-19 (PPN 04/20), which provides guidance for public bodies on payment of their suppliers for the purposes of ensuring the continuity of critical service during and after the coronavirus (COVID-19) outbreak.

Where schools have agency workers on live assignments who can continue to work, they should continue to be paid in the usual way.

Where schools have agency workers on live assignments who cannot continue to work due to coronavirus (COVID-19), schools and agencies should refer to the guidance set out in Procurement Policy Note 02/20: supplier relief due to coronavirus (COVID-19) - Contingent workers impacted by COVID-19. This guidance has been extended to 31 October 2020 under PPN 04/20. The guidance covers the length of existing live assignments up to the end date that had been previously agreed. It does not require these assignments to be extended further if the resource will not be required.

Agency workers that were not on live assignments when schools reduced capacity, and who had previously been furloughed by their employment agency on or before 10 June 2020, may continue to be furloughed by their employment agency through the CJRS.

From 1 July, employers can bring furloughed employees back to work for any amount of time and any shift pattern, while still being able to claim a grant for the hours not worked.

Where a worker is set up as a Personal Service Company (PSC)

Where the services of the supply teacher are still required and they continue to work, we expect schools to ensure the supply teacher will be paid in the usual fashion, from their existing staff budgets.

Where the school is closed or has reduced capacity and no longer requires the supply teacher, the support available to the teacher will depend on whether the PSC is paid directly by the school, or via an employment agency.

Where the supply teacher's PSC is paid by the school directly, schools are advised to follow the guidance set out in the Procurement Policy Note 02/20 (PPN 02/20) and Procurement Policy Note 04/20, which state contingent workers should be paid at 80% of their pay rate up to a maximum of £2,500 per month.

Where the supply teacher's PSC is paid via an agency, it may be appropriate to continue to claim for grants under CJRS if the person has been previously furloughed prior to 10 June 2020. In this scenario, if the school wished to continue to furlough a contractor, they must confirm this with both the contractor's PSC and the agency. The agency will make a further claim for CJRS. It should be formally agreed between these parties that the contractor will continue to provide no work for the school during their period of furlough.

More information on the CJRS for supply teachers who supply their services through a PSC can be found at Check if your employer can use the Coronavirus Job Retention Scheme.

Where a worker is self-employed

Self-employed workers who are unable to work because of coronavirus (COVID-19) will be able to access support through the Self-Employment Income Support Scheme.

Starting new temporary contracts

We expect schools will use their existing staff to maintain necessary provision, but schools may also continue to need supply teachers and other temporary workers throughout this period. We encourage schools and agencies to continue to liaise about any potential need to ensure workers are available where required.

School workforce employers and staff can find additional guidance on contingent workers in the school workforce at temporary school closures.

High needs funding

Local authorities have an important role in making sure that the high needs funding they receive as part of their DSG is used effectively in making educational provision for children and young people up to the age of 25 with Education, Health and Care (EHC) plans, and other vulnerable children and young people. Authorities will continue to receive their high needs budgets and should continue to pay top-up and other high needs funding so that the employment and remuneration of staff supporting children and young people with special educational needs and disabilities (SEND), and those requiring alternative provision, can continue. High needs funding will therefore continue to be paid to the following types of setting, whether from local or central government:

- local authority-maintained schools (mainstream, special and pupil referral units)

- academies and free schools (mainstream, special and alternative provision)
- non-maintained special schools
- independent schools, including independent special schools
- independent alternative provision
- high needs places in further education (FE) colleges and sixth form colleges
- special post-16 providers
- hospital schools

Funding will be maintained and services should not be reduced because some or all children and young people are not in attendance (because of sickness or self-isolation, or where the institution has temporarily or partially closed).

Similarly, where settings pay top-up or other funding for pupils attending alternative provision, or pay for other SEND or alternative provision services, these payments should continue to be made so that teachers and other staff in all types of setting can be paid in accordance with their existing employment contracts. If placements and services for the summer term have not yet been agreed, settings should be willing to fund on the basis of previous patterns of placements and commissioning. Where changes to the delivery of special provision and alternative provision are required, the first response should be to redeploy existing resources, if necessary between settings and other institutions as well as within settings.

Teaching and non-teaching staff (administration, operations, maintenance and catering) should not be furloughed where they are funded from continued high needs funding, and where necessary and feasible, should be available for redeployment within settings and in other settings to assist in maintaining provision for vulnerable children and young people, and the children of critical workers.

Residential special schools

State-funded residential special provision is delivered in various types of setting, including state-maintained schools, non-maintained special schools, independent schools and special post 16 institutions. While the educational costs will continue to be funded from the DSG, the residential costs are met from social care budgets. Local authorities will continue to receive funding for social care provision and should continue to pay residential costs so that the employment and payment of staff supporting children and young people who require residential provision can continue.

Residential provision in schools

State-funded residential children's social care provision is offered in state-maintained schools, non-maintained special schools and independent schools. While the educational costs are funded from the DSG, the residential costs are met from social care budgets. Local authorities will continue to receive funding for social care provision and should continue to pay residential costs so that the employment and payment of staff supporting children and young people who require residential provision can continue.

Some independent schools have joint registration as a children's home and are effectively funded by local authorities that place the children in those settings. This funding should continue.

Independent schools

Mainstream independent schools

We expect independent schools to continue to access the support schemes in line with the changes announced by the Chancellor on 29 May, not least where they are funded in the main by fee income paid by parents. This will enable them to retain staff and ensure schools are ready to welcome back their pupils in increasing numbers.

There is no change to our expectation that where schools continue to receive public funding, such as for looked after children placed by a local authority or local authority support for pupils with EHC plans, we expect schools to use that money to continue to pay those staff in the usual fashion – and therefore not furlough them or seek support via the CJRS.

Now that all schools are increasing the contact and support they are providing to their pupils, and broadening their educational offer, we expect to see the level of claims for the CJRS decrease as school staff are increasingly engaged in the education of pupils. Commensurate with the phased return of pupils, schools will now be able to use the flexibilities to the scheme set out by the Chancellor on 29 May 2020. From 1 July 2020, employers can bring furloughed employees back to work for any amount of time and any shift pattern, while still being able to claim a grant for the hours not worked.

Independent special schools

The majority of pupils in independent special schools have been placed there by local authorities under an EHC plan, funded from the high needs block of the DSG.

Local authorities will continue to receive their high needs budgets and should continue to pay top-up and other high needs funding to independent special schools, so that the employment and payment of staff supporting children and young people with SEND can continue. Some independent special schools also have pupils who are funded privately instead of under an EHC plan. These institutions should only access the support schemes identified in relation to the proportion of staff that is not supported through public funding, and only to the extent that the school is facing a loss of income because the children have been withdrawn by their parents leading to a loss of fee income.

Further education and apprenticeships

Further education and apprenticeship providers include further education colleges, sixth form colleges, designated institutions, independent training providers (ITPs), adult and community learning providers, and higher education institutions to the extent that they provide further education or apprenticeships. They are funded in 3 main ways: by grant; under a direct contract for services with Education and Skills Funding Agency (ESFA); or through a funding agreement with the ESFA (where provision is delivered under a contract for services between a levy paying employer and an apprenticeships training provider, or advanced learner loan funded learning).

Where the provider is continuing to receive public funding through any of these routes they should continue delivering this provision where feasible, including through remote delivery. They should not furlough staff whose salaries are paid from continuing ESFA (or any other public) income. This applies to both teaching and non-teaching staff.

We recognise that many providers rely on funding from a mix of public sources and other income streams such as fees, employer contributions and commercial income.

Where public income has reduced or non-public income has ceased or reduced, it may be appropriate for providers to seek support from the CJRS to furlough staff. Providers should only furlough employees if they meet the following conditions:

- the employee works in an area of business where services are temporarily not required and whose salary is not covered by public funding
- the employee would otherwise be made redundant or laid off
- the employee is not involved in delivering provision that has already been funded
- the employee is not required to deliver provision for an attending student
- the grant from CJRS would not duplicate other public grants received and would not lead to financial reserves being created

If it is difficult to distinguish whether staff are funded through continuing public funding, for the purposes of meeting the first 3 conditions listed, then the total proportion of teaching and non-teaching staff (based on gross payroll) that are retained (for example, not furloughed) should, as a minimum, be equivalent to the continuing public income, as a proportion of all income that the provider usually receives. For example, if the only source of public funding is through a grant, and non-grant income makes up 25% of total income, then this should be the total maximum proportion of staff (based on gross payroll) that could be furloughed.

Where providers consider furloughing staff, they should ensure that they take a fair and reasonable approach to part-time, sessional and temporary staff, reflective of good HR practice and legal requirements.

We understand that ITPs and colleges are dependent on both their ability to continue provision online and on the speed at which employers are able to return to business as usual, including their recruitment and enrolment of new apprentices. In addition, as the economy begins to reopen, we would expect some providers to see a portion of their other income streams returning and be able to begin bringing staff off furlough and back to work. Any claim through the CJRS should continue to be proportionate to the income lost.

Since August, employers have been required to contribute to the cost of furloughing. Support through the scheme has recently been extended until 30 April 2021. Full details can be found in the Check if you can claim for your employees' wages through the Coronavirus Job Retention Scheme guidance.

Where a provider receives Adult Education Budget (AEB), or apprenticeship funding, as part of a direct contract for services with ESFA, and is at risk financially, they may be eligible for support (subject to meeting additional criteria) as part of ESFA's post-16 provider relief scheme. Support provided through that mechanism would count as public funding for the purposes of conditions covering the CJRS.

Further guidance on the operation of any supplier relief scheme for providers funded under a contract for services with ESFA can be found at ESFA post-16 provider relief scheme (July to October 2020).

In instances where public funding is not delivered under a contract for services with the ESFA, the Cabinet Officer's Procurement Policy Note 02/20 and 04/20 are not applicable. Suppliers must not be in receipt of multiple, duplicative relief under ESFA's post-16 provider relief scheme and under the CJRS. This means that, if suppliers are in receipt of payments, suppliers should have ensured that all parts of the workforce identified to deliver the contract were not furloughed during the period (under CJRS). It is permissible for a supplier to receive partial payments for non-labour related costs and claim labour costs under the CJRS.

DfE is considering appropriate measures to monitor use of these schemes in order to detect any duplication of funding, and will be considering potential options to recover misused public funding as required.

Some providers may also be eligible for the Coronavirus Business Interruption Loan Scheme or Coronavirus Large Business Interruption Loan Scheme. For more information on eligibility, please consult your commercial bank or refer to the financial support for businesses guidance.

Special post-16 institutions

Local authorities will continue to receive their high needs budgets and should continue to pay top-up and other high needs funding to special post-16 institutions, so that the employment and payment of staff supporting young people with SEND can continue. The ESFA will continue to provide high needs place funding. Similarly, local authorities should continue to support the residential costs of those students that are in residential provision.

As with colleges, special post-16 institutions may rely on non-grant income for young people with EHC plans. If such income has ceased or reduced, it may be appropriate for special post-16 institutions to seek support from the CJRS to furlough staff who are working on activities relating to those non-grant income streams, in the same way as providers as set out.

Higher Education

During and after the coronavirus (COVID-19) outbreak, our aim is for Higher Education (HE) providers to continue to:

- deliver HE provision
- support the needs of students, both on and off campus

We will work with HE providers to help them access the range of measures on offer to:

- support financial viability and sustainability
- safeguard jobs (including those staff on casual, hourly paid or fixed-term contracts)

We expect that in most circumstances, HE providers will be able to continue paying their staff as usual because HE delivery has largely moved online, and staff are maintaining key services, including those for students remaining on campus.

Coronavirus Business Interruption Loan Schemes (CLBILS) and COVID-19 Corporate Financing Facility (CCFF)

If HE providers meet the published criteria for the Coronavirus Business Interruption Loan Scheme (CBILS), or the Coronavirus Large Business Interruption Loan Scheme (CLBILS), they should consider approaching their bank to apply for the scheme, if they judge that is needed. Some HE providers may also meet the criteria for the COVID-19 Corporate Financing Facility (CCFF) and should liaise with their bank to discuss eligibility. If their bank does not issue commercial paper, UK Finance has published a list of those banks that are able to assist.

Coronavirus Job Retention Scheme (CJRS)

HE providers should only furlough employees and seek support through the CJRS if they continue to meet the following conditions:

- the employee works in an area of business where services are temporarily not required and whose salary is not covered by public funding
- the employee would otherwise be made redundant or laid off
- the employee is not involved in delivering provision that has already been funded
- (where appropriate) the employee is not required to deliver provision for an attending learner
- the grant from CJRS would not be duplicative to other public grants that the HE provider receives and would not lead to financial reserves being created

Any claim through the CJRS should continue to be proportionate to the income lost and should not duplicate other sources of public funding where these are being maintained, such as UK home student tuition fees. However, we do recognise the complexity of HE revenue and the role that cross-subsidy plays. If it is difficult to distinguish whether staff are funded through public or commercial income for the purposes of meeting the first 3 conditions as listed, and some staff will be funded through multiple sources, as a guiding principle, HE providers should not seek to furlough a higher proportion of their wage bill than could reasonably be considered to have been generated through commercial income, including from non-public research grants and contracts.

It is likely that decisions on whether to continue to furlough staff will need to be taken on a case by case basis. Employers can bring furloughed employees back to work for any amount of time and any shift pattern, while still being able to claim a grant for the hours not worked. An employee cannot undertake work for, or on behalf of, their employer during the hours for which CJRS is being claimed.

Where research work has been paused (for example, where grant holders have requested a no-cost extension to UK Research and Innovation grants) and therefore providers are not able to receive payments towards staff costs for a period, resulting in a loss of income due to ceased or reduced delivery of research programmes, providers should consider their eligibility and apply for the wide range of financial support that HM Treasury has already announced for businesses, including the CJRS in line with the conditions. The Department for Business Energy and Industrial Strategy (BEIS) has provided additional guidance on furloughing research staff at Coronavirus Job Retention Scheme: guidance for research organisations.

DfE is considering appropriate measures to monitor the use of these schemes in order to detect any duplication of funding, and will be considering potential options to recover misused public funding as required.

To help providers make informed decisions, the government has issued guidance for providers on reopening campuses and buildings to staff and students in ways that protect the health and wellbeing of staff, students and visitors.

We will continue to engage with the sector and update this guidance, and provide further clarification as necessary.

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