

DSG Central Budgets 2021/22 – Explanations for major underspendings and overspendings

The main underspendings and overspendings per funding block were:

Schools Block

Budget	(Underspend) / Overspend £m
Admissions and Exclusions The budget funds the LA's statutory duty to operate the admissions and exclusion arrangements for Lincolnshire schools in accordance with the School's and Early Years Finance (England) Regulations.	(0.180)
Other Underspends & Overspends	(0.033)
Total	(0.213)

High Needs Block

Budget	(Underspend) / Overspend £m
High Needs Top Up and Targeted Funding A net overspend on top up funding for Lincolnshire pupils in mainstream schools with an EHC plan and targeted funding of £2.847m. The SEND transformation programme continues to have a positive impact in supporting children and young people and is reducing the upward trajectory of EHC plans against the do-nothing line, however there continued to be growing trends both nationally and in Lincolnshire, with more children requiring specialist support, from that level previously budgeted for. The government released in March 2022 the SEND Review Green paper, which outlines the government plans to overcome key challenges, which include a system that is financially sustainable. Local Authorities High Needs block funding has seen growth in recognition of these challenges.	2.847m
External SEND Specialist Placements External SEND specialist placements have overspent by £0.422m due to an increasing demand for those pupils with complex needs and a shortage of places within Lincolnshire special schools. This is being addressed through the Building Communities of Specialist Provision Strategy by delivering an increase in the number of places within Lincolnshire special schools.	0.422
Alternative Provision The Alternative Provision new free school place funding has underspent by (£1.673m). This is a temporary underspend following Department for	(1.673)

Education confirmation that funding is only being recouped from the Local Authority for 89 places from September 2021.	
Post-16 Learners with Learning Difficulties and Disabilities (LLDD) Post-16 Learners with Learning Difficulties and Disabilities has underspent by (£0.951m). The element 2 funding for places purchased above the ESFA place return are reviewed on a case-by-case basis, as per the guidance. The element 2. The 2022/23 budget for this area has been reduced to reflect this.	(0.951)
Services funded by Other Funding Sources Some services within the High Needs Block were funded by other funding sources: Healthy Minds contract costs met by the Outbreak Management grant (£1.000m) and Portage costs funded through the Public Health Grant (£0.317m). These are considered to be temporary underspends for 2021/22 only.	(1.317)
Other Underspends and Overspends A number of smaller variances on High Needs budgets make up the remaining underspend balance, such as Home Tuition (£0.364m), Social Emotional and Mental Health placements (£0.286m) and Alternative Provision Places (£0.394m) plus other smaller underspends on various central SEN support services (£0.248m).	(1.292)
Total	(£1.964)

Early Years Block

Budget	(Underspend) / Overspend £m
3 & 4 Year Old An underspend on the Early Years participation budgets of (£0.674m) (2.1% of budget). This is a volatile demand-led budget and has been significantly impacted by Covid-19 relating to participation numbers and hours. Funding by the government to Local Authorities has been based on termly data for 2021/22 rather than January census data since it was unlikely to be representative of attendance during the year to support provider payments.	(0.674)
2 Year Old Funding An overspend in the 2-year old provision of £0.121m has occurred due to a growth in pupil participation levels after the termly census dates of Local Authority funding.	0.121
Other Underspends and Overspends Other notable variances include an underspend on central staffing budgets of (£0.112m); a reduction in demand for allocations from the Disability Access Fund of (£0.108m) and an over allocation of central Early Years Pupil premium (£0.043m).	(0.244)
Total	(0.797)

Central School Services Block (CSSB)

Budget	(Underspend) / Overspend £m
Historic Commitments The underspend relates to the historical commitments agreed with the DfE for retaining budgets for the school PFI contractual costs (£0.043m) and the centralised schools broadband contract (£0.128m). These funding streams are outside of the government's formulaic funding allocation for the Central Schools Services block. The government is reducing these budget allocations of LAs annually by 20% to remove the perceived unfairness in funding across authorities. The budgets had been set prudently to respond to this future funding implication	(0.171)
Uncommitted Sum This was the uncommitted sum set aside last year from the formulaic funding received from central government for ongoing responsibilities for maintained schools and academies.	(0.157)
Other Underspends and Overspends	0.014
Total	(0.314)

Summary:

Budget	(Underspend) / Overspend £m
Schools Block	(0.213)
High Needs Block	(1.964)
Early Years Block	(0.797)
Central School Services Block	(0.314)
Total Underspend 2021/22	3.288

2022/23 DSG commitments

The commitments are:

Budget	Commitment £m
<p>Former Early years disadvantaged two year old funding The service has considered the existing commitments against this funding in the recommendation to prioritise £0.780m of this towards capital funding. This can be seen with the Proposed Developments section.</p> <p>The remaining funding will continue to be earmarked for Early Years initiatives to support longer term outcomes for all early years' children through targeted programmes of support (such as learning and development of children) and encouraging early years participation levels.</p>	0.200
<p>Sector-led investment The remaining funding earmarked for sector-led school improvement to fulfil the ambition of making a positive contributions to the education system in Lincolnshire. The Lincolnshire Learning Partnership Board is currently considering how the remaining funds can be effectively used across the system and following the values of the board.</p> <p>An assessment of school needs will be undertaken to identify further additional support schools will require to aid their recovery and further improve educational outcomes. A report is planned to come back to Schools' Forum for consideration.</p>	0.673
<p>School re-organisations, includes extending schools and closures This funding has been earmarked to support planned growth through permanent and temporary school expansions to enable the LA to meet its statutory duty.</p> <p>The LA continues to experience growth, focused particularly on mainstream secondary schools and special schools. The LA is funded on a lagged basis for growth in schools places. It is therefore of sound financial planning to prudently earmark funding to manage this financial risk.</p> <p>This fund will support other planned re-organisations as they arise, and also significant revenue commitments, such as new schools funding (start-up and diseconomies of scale funding). New schools have been provisionally earmarked within the Council's 10 year capital programme. A draw down of £0.346m was necessary in 2021/22 responding to school place places for September 2021 after budgets were set to avoid the Schools block overspending. It is proposed that the school re-organisation provision is put back to £1.000m.</p>	1.000
<p>SEND Strategy Funding to support the implementation of the strategy in special schools to provide All Needs education to pupils with SEND in their local communities and</p>	1.334

<p>increase the number of school places. A £2.000m commitment was approved by the Schools' Forum in October 2018.</p> <p>The £2.000m commitment was established to fund the fixtures and fittings for new classroom space in accordance with the special schools reorganisation policy, along with other new building space through the SEND capital programme (such as installation of new sensory and soft play rooms, medical intervention spaces and specialist teaching facilities); decant site costs and recruitment support. A further commitment agreed to support workforce development for the sector that is to be rolled out to mainstream schools also.</p> <p>The fund will also contribute towards the cost of the increase in new special school places through the LA special schools reorganisation policy over the coming years as special schools capital schemes are completed due to the government's lagged funding arrangements. Spending for the current and next year are expected to c.£1.000m. The final schemes of the 14 special schools ambitious strategy is planned to be completed by 2024/25.</p>	
<p>Rates adjustment</p> <p>Within the current funding formula, schools receive initial rates funding based on their actual rates bill from the prior financial year. The LA consulted schools and through the Council's decision-making process it was agreed to continue funding the actual rates bill. The funding adjustment will be made in the following year for schools. The DfE will reimburse LAs for this local decision, however 2022/23 rates adjustments for schools reflected in their 2023/24 budgets will not be funded by the DfE until 2024/25.</p>	0.100
<p>Transitions from Special Schools to mainstream</p> <p>The transitions protocol includes a period of dual registration during which a £0.005m grant to the mainstream school allows provision to be made before the setting is named and the EHC plan funding is available. A quarter of the target transitions set were achieved in 2021/22. Learning has been taking place. Based on the target movement of at least 4 pupils per quarter, a budget of £0.080m per annum has been set for the next four years. This will need to be a re-occurring budget however financial capacity is currently limited in the short-term.</p>	0.320
<p>Medical Needs Strategy</p> <p>The new approach to medical needs for the LA to fulfil its statutory duty to 'make arrangement' for CYP who are unable to access school because of ill health was introduced in September 2021. Funding has been earmarked for three years, allowing a transition into the base budget. The new approach involves a stronger focus on early intervention for anxiety, impacting on school attendance, and a broader menu of resources to support CYP with this difficulty through the introduction of an Emotional School Based Avoidance (EBSA) Pathway. As part of the Pathway, EBSA Caseworkers have been set up within the Pupil Reintegration Team (PRT). They provide school staff and Governors with support, training, advice and guidance to enable schools to meet this area of need and successfully support Children and Young People's improved attendance. A multi-disciplinary panel was also introduced. Schools can refer cases to the panel where specialist</p>	0.704

<p>decision makers consider the range of options for each case and propose a package of support, which may in cases where all early and evidence-based interventions have been fully explored by the school, involve an intervention placement at Pilgrim Hospital School. The panel's run on a fortnightly basis throughout school term time. The impact of the EBSA pathway continues to be monitored and evaluated as it progresses.</p>	
<p>Total</p>	<p>4.331</p>