

Appendix A

DSG Central Budgets 2022/23 – 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.	(0.048)
Other Underspends & Overspends	(0.017)
Total	(0.065)

High Needs Block

Budget	(Underspend) / Overspend £m
High Needs Top Up and Targeted Funding There are several demand-led and volatile areas within the High Needs Block which have overspent. A net overspend on top up funding for Lincolnshire pupils in mainstream schools with an EHC plan and targeted funding of £2.760m due to increased demand for Education and Health Care (EHC) plans. 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 like the national picture there continues to be a growing trend both nationally and in Lincolnshire, with more children requiring specialist support from the level previously budgeted for.	2.760m
External SEND Specialist Placements External SEND specialist placements have overspent by £2.185m due to an increase in demand for those pupils with complex needs, along with insufficient places within Lincolnshire special schools. This is being managed through the Building Communities of Specialist Provision Strategy by delivering an increase in the number of places within Lincolnshire special schools to support the forecast trajectory of growth.	2.185
Alternative Provision The Alternative Provision free school place funding has underspent by (£1.630m). This is a temporary underspend following Department for Education confirmation that funding is only being recouped from the Local Authority for 89 single roll places for the 2022/23 financial year. This will	(1.630)

change going forward with the reduction of available intervention places due to the increase in permanent exclusions in Lincolnshire.	
Post-16 Learners with Learning Difficulties and Disabilities (LLDD) Post-16 Learners with Learning Difficulties and Disabilities has underspent by (£0.436m). This is due to colleges only claiming element 2 and 3 of funding for places purchased in accordance with the DfE guidance.	(0.436)
Services funded by Other Funding Sources The apportionment of costs for the Healthy Minds contract costs met by Outbreak Management grant (£0.860m) to support the utilisation of Council grants.	(0.860)
Uncommitted Funds within High Needs Block Local Authorities 2022/23 High Needs block funding was increased in recognition of the challenges facing Local Authorities within their High Needs block and inflationary increases. £1.202m of this additional funding was provided to Lincolnshire special schools.	(4.110)
Other Underspends and Overspends A number of smaller variances on High Needs budgets make up the remaining position, including overspends on Home Tuition £0.188m and Pilgrim Home Tutoring £0.146m, and an underspend on Social Emotional and Mental Health placements (SEMH) (£0.517m).	(0.216)
Total	(£2.307)

Early Years Block

Budget	(Underspend) / Overspend £m
3- & 4-Year-Old An underspend on the Early Years participation budgets of (£0.401m) (1.2% 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 now reverted to being based on January census data following a change in funding mechanisms during the pandemic.	(0.401)
2-Year-Old Funding An underspend in the 2-year-old provision of (£0.320m) has occurred due to a reduction in pupil participation levels after the termly census dates of LA funding.	(0.320)
Other Underspends and Overspends Other notable variances include an underspend on central staffing budgets of (£0.076m); a reduction in demand for allocations from the Disability Access Fund of (£0.081m) and other minor overspends of £0.084m	(0.073)
Total	(0.794)

Central School Services Block (CSSB)

Budget	(Underspend) / Overspend £m
Historic Commitments and ongoing responsibilities The underspend relates to modest under and overspends on historical commitments and ongoing responsibilities for all schools.	(0.119)
Total	(0.119)

Summary:

Budget	(Underspend) / Overspend £m
Schools Block	(0.065)
High Needs Block	(2.307)
Early Years Block	(0.794)
Central School Services Block	(0.119)
Total Underspend 2022/23	(3.285)

2023/24 DSG commitments

The commitments are:

Budget	Commitment £m
<p>Early Years Initiatives Funding previously earmarked from the former early years disadvantaged two-year-old funding and the Early Years block underspend in 2022/23 will support to deliver longer term outcomes for all early years' children through targeted programmes of support (such as learning and development of children; safeguarding toolkit for providers with a view of improving quality provision; strength-based partnership working; Dingley's Promise for young people with SEND; children's readiness for school), and encouraging early years participation levels.</p>	0.500
<p>Early Years Participation Fluctuation Fund At the Schools' Forum in January 2023, the early years paper set out the LAs intentions to utilise the DSG underspend from the previous years Early Years block to cover contingency costs for fluctuations in children's attendance across this 2023/24 financial year. This decision was taken to maximise the hour rate to providers to support financial sustainability due to rising childcare costs. The LA also intends to adopt the same approach for the Early Years Supplementary Grant distribution by earmarking funding from the DSG reserves to cover contingency costs for fluctuations in children's attendance. This has been funded through the Early Years block underspend in 2022/23.</p>	0.400
<p>Sector-led investment The remaining funding earmarked for sector-led school improvement to fulfil the ambition of making a positive contribution to the education system in Lincolnshire.</p> <p>At the November 2022, Lincolnshire Learning Partnership Board meeting, it was agreed to allocate funds to implement projects supporting all schools with a particular focus on leadership development, SEND and a locality project. This was reported in the Schools Sector Led update to the Schools' Forum at the January 2023 meeting.</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>	1.000

<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.</p>	
<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 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.</p>	0.768
<p>Rates adjustment 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 2023/24 rates adjustments for schools reflected in their 2024/25 budgets will not be funded by the DfE until 2025/26.</p>	0.100
<p>Transitions from Special Schools to mainstream 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. Half of the target transitions set were achieved in 2022/23. Learning continues to take 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 three years. This will need to be a re-occurring budget however financial capacity is currently limited in the short-term.</p>	0.280
<p>Medical Needs Strategy 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 a further two 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</p>	0.620

<p>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 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>4.341</p>