

DSG Central Budgets 2019/20 – Explanations for major underspendings and overspendings

The main underspendings and overspendings per funding block were:

Schools Block:

Budget	(Underspend) / Overspend £m
Admissions and Exclusions Recovery of adjustments to schools budgets in relation to admissions and exclusions, including prior year adjustments.	(0.153)
Schools Growth Fund The budget funds school reorganisations to support the LA's statutory duty to provide sufficient school places for children of Lincolnshire through changes to schools planned admission numbers temporarily or permanently. The LA was unable to meet the deadline for 'gap' funding allocations for four academies in 2019/20 (£0.192m).	(0.785)
Other Underspends & Overspends	0.171
Total	(0.767)

High Needs Block:

Budget	(Underspend) / Overspend £m
High Needs Top Up Funding This reflects the rise in the number of pupils with EHC plans in Lincolnshire and other LA mainstream schools, which trigger top up funding. It is clear that the number of young people requiring specialist support has increased. At January 2020, 2,014 young people were in mainstream maintained, academy or free schools including enhanced resource provision or mainstream SEN units. This equates to 35.3% of those with an EHC Plan. An increase of 1.3% from January 2019.	1.502
Learner with Learning Difficulties and Disabilities (LLDD) Post 16 This budget funds LLDD placements. The overspend is due to an increase in the number of Lincolnshire students at colleges above the numbers that were originally agreed. There has also been an increase in the number of students placed at other LA education colleges rather than being placed in Lincolnshire colleges. 975 young people were in general Further Education, Sixth Form college or other FE settings; an increase of 23% from 2019. This group represents 17.1% of all young people with EHC plans.	1.047
Out of County Placements These placements are made where this is no Lincolnshire school able to take pupils – special school place capacity is being address through the SEND capital programme. There continues to be a growing trend nationally with more young people requiring specialist and more complex support, this trend is also being seen in Lincolnshire.	1.978
Alternative Provision Earmarked funding for alternative provision place funding. This base funding is to be utilised following the two year period that the ESFA fund free school alternative provision places.	(2.106)
Other Underspends & Overspends	0.030
Total	2.451

Early Years Block

Budget	(Underspend) / Overspend £m
<p>3 & 4 Year Old The DfE funds LAs Early Years block through two January's snapshot – January 2019 for the period April 2019 to August 2019 and January 2020 for the period September 2019 to March 2020. Although termly participation levels vary across the terms, the January date is seen by the DfE as the mid-point. The LA funds all early year providers on actual participation across the 38 weeks. The underspend is due to the participation demand led nature of the service. The underspend represents 1.72% of the overall 3 & 4 year old budget.</p> <p>In 2020/21, the 3 & 4 year old hourly rate has increased by £0.11 per hour per child to £3.98. The increase in rate was partly due to releasing previously earmarked funding, and passporting increased government funding.</p>	(0.604)
<p>Early Years and Children's Centre's General underspends in staffing budgets, largely relating to vacancies.</p>	(0.085)
<p>2 Year Old Funding The DfE funds LAs Early Years block through two January's snapshot – January 2019 for the period April 2019 to August 2019 and January 2020 for the period September 2019 to March 2020. The underspend represents 2.21% of the overall 2 year old budget.</p>	(0.125)
<p>Disability Access Fund It is difficult to predict the number of children who will access this fund and whether PVI settings will claim against this fund. The underspend is due to the participation demand led nature of the service.</p>	(0.096)
<p>Other Underspends and Overspends</p>	(0.138)
<p>Total <i>(this reflects the early years funding adjustment in July 2020 relating to 2019/20)</i></p>	(1.048)

Central School Services Block (CSSB)

Budget	(Underspend) / Overspend £m
<p>PFI This budget funded the PFI contractual commitments for the seven schools built under PFI a decade ago. It funds the affordability gap / unavoidable costs following the deduction of the government grant allocation and school contributions.</p> <p>This budget is funded through the Central School Service block of historic commitments. In anticipation of the government's planned reductions, the budget remained unchanged and set prudently to accommodate the planned reductions in funding in future years without impacting the contractual commitments to 2032/33.</p> <p>The primary PFI schools now receive a PFI formula factor in 2020/21 to meet this affordability gap / unavoidable costs. The LA is working with the DfE on a long-term solution for PF special schools.</p>	(0.209)
<p>Broadband The budget funds the aggregated broadband provision for all schools (including academies). This budget is a historical funding commitment (pre-2013 decision) and in line with the government's school policy will remain in place until the contract ends in 2022.</p> <p>This budget is also funded through the historic commitment funding stream which again has been impacted by future years 20% reductions by central government. A Schools Forum report in October 2018 on Schools Broadband services supported the</p>	(0.194)

proposal to earmark £1.350m from the DSG underspend to cover any shortfall in revenue funding until the end of the contract.	
Uncommitted Sum This was the uncommitted sum set aside last year.	(0.354)
Other Underspends and Overspends	0.057
Total	(0.700)

Summary:

Budget	(Underspend) / Overspend £m
Schools Block	(0.767)
High Needs Block	2.451
Early Years Block	(1.048)
Central School Services Block	(0.700)
Total Underspend 2019/20	(0.064)

2019/20 DSG commitments

The commitments are:

Budget	Commitment £m
<p>Former Early years disadvantaged two year old funding This is currently earmarked (from the former two year old trajectory funding) to support sufficiency and take-up of provision for disadvantaged two year olds. The funding is used to support the LA, to supply sufficient early year's childcare placements. The LA uses supply and demand information captured through the sufficiency assessments, parental survey, and childcare gap reports to ensure place sufficiency matters are addressed.</p> <p>The impact of the current pandemic on the early years sector is currently being understood to determine whether tailored support is required to ensure the sufficiency of childcare places in Lincolnshire. There may be a need to draw on this funding to support this work stream. The Schools Forum will be advised of this position.</p>	0.983
<p>Temporary Rate Increase Early Years Sector The Schools Forum (January 2020 meeting) agreed to support a temporary rate increase for 2020/21 (only) of £0.12 per hour for 3 and 4 year olds. This additional funding was in response to poorer performance outcomes for Lincolnshire children at the end of the foundation stage compared to national averages and of our statistical neighbours. This one-off funding was intended to give providers greater resources to deliver the best opportunities for Lincolnshire pupils to reach their potential, and increase their life chances as they transition to school. Funding is being allocated during the current financial year.</p>	1.000
<p>Sector-led investment Additional funding for Sector-led school improvements was approved by the Schools Forum in January 2018. Current commitments include: a three year commitment for the funding of a seconded chair and the running of the annual Lincolnshire Learning Partnership (LLP) conference (c.£0.100m).</p> <p>The LLP Board working with the LA will consider the impact of the pandemic, the anticipated effect of the Covid-19 catch up premium funding and the National Tutoring programme, and what further additional support schools will require to support their recovery and further improve educational outcomes, before considering new commitments.</p>	0.693
<p>Schools Growth Fund Funding for school reorganisations to support the LA's statutory duty to provide sufficient school places for children of Lincolnshire through changes to schools planned admission numbers temporarily or permanently. The LA was unable to achieve the deadline for 'gap' funding allocations for four academies, therefore a commitment of £0.192m has been made against the reported 2019/20 underspend.</p>	0.192
<p>School reorganisations, 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 in mainstream primary, secondary and special schools. The LA is funded on a lagged basis for growth in schools places; therefore it is of sound financial planning to prudently earmark funding to manage this financial risk.</p> <p>This fund will also support other planned reorganisations as they arise.</p>	1.000
<p>SEND Strategy Funding to support the implementation of the strategy in special schools to provide All</p>	1.933

<p>Needs education to pupils with SEND in their local communities. A £2.000m commitment was approved by the Schools Forum in October 2018.</p> <p>The £2.000m commitment will fund the fixtures and fittings for the 60 new classroom spaces (£0.570m) in accordance with the special schools reorganisation policy, and other new building space through the SEND capital programme (c.£0.700m), such as installation of new sensory and soft play rooms, medical intervention spaces and specialist teaching facilities. A further commitment of £0.143m has been agreed to support workforce development for the sector that is to be rolled out to mainstream schools also.</p> <p>The fund will also support the increase in new special school places through the LA special schools reorganisation policy over the coming years due to the government's lagged funding arrangements.</p>	
<p>Broadband</p> <p>The LA through its decision-making process triggered the full three year extension, which will mean all schools will continue to receive the consolidated core schools broadband contract to 31 October 2022. See 'Schools Broadband Services' Schools Forum paper: 11 October 2018.</p> <p>The government has made a further announcement to reduce historical commitments by 20% in 2021/22, the same percentage reduction as in 2020/21. To manage this financial commitment, funding has been prudently earmarked to support central funding of the contract until its end date of 31 October 2022.</p>	1.350
<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 the rates funding adjustment in 2020/21 by funding a schools actual rates bill. It is a local decision, and funding has only been earmarked for 2020/21 in accordance with the 2020/21 Schools Funding Formula decision.</p>	0.161
<p>Total</p>	7.312

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