

DSG Central Budgets 2020/21 – Explanations for major underspendings and overspendings

The main underspendings and overspendings per funding block were:

Schools Block

Budget	(Underspend) / Overspend £m
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 underspend relates to the pupil growth funding allocations in accordance with the policy.	(0.097)
Other Underspends & Overspends	(0.010)
Total	(0.107)

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 £5.780m. In 2020/21, there continued to be growing trends both nationally and in Lincolnshire, with more children requiring specialist support, from that level previously budgeted for. Government funding in 2021/22 recognises the financial challenges facing LAs through its settlement. The SEND transformational work is intended to support the Inclusive Ambition through providing support early and securing improved outcomes, whilst securing an offer that is financially sustainable for Lincolnshire. The LA consulted on a change to the targeted funding criteria to ensure it aligns to the government's national funding formula and delivers fair funding, which was introduced from the 1 April 2021.	5.780
External SEND Specialist Placements External SEND specialist placements have overspent by £1.240m 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.	1.240
Alternative Provision The Alternative Provision new free school place funding (£2.053m) have been	(2.053)

funded by the department in 2020/21 in accordance with new free school openings – this is therefore a temporary underspend.	
Commissioned Contracts The identification of commissioned contracts where providers have been unable to deliver the full service offer during the lockdown but to support service continuity the full contractual payments continued. The undelivered element of the contract was met against the LA Covid grant. Healthy Minds contract costs were met by the Outbreak Management grant (£1.000m) in accordance with the grant conditions.	(2.082)
Other Underspends and Overspends A number of smaller variances on High Needs budgets make up the remaining underspend balance, such as learners with learning difficulties and disabilities allocations; sensory education & support service, and behaviour outreach service.	(0.470)
Total	2.405

Early Years Block

Budget	(Underspend) / Overspend £m
3 & 4 Year Old An underspend on the Early Years participation budgets (£0.135m), as a result of the pandemic. The LA in accordance with the government's guidance supported early years providers financially throughout the period up to December 2020 based on parent declaration hours. This also involved funding providers at their autumn 2019 participation levels if they were experiencing lower numbers in autumn 2020 from the pandemic. From the spring 2021 term, the government advised LAs to return to the normal funding process through funding the actual hours of delivery.	(0.135)
2 Year Old Funding An underspend in the 2 year old provision (£0.332m) due the impact of the pandemic on participation levels. Early Years providers with disadvantaged 2 year olds were also supported financially throughout the period up to December 2020. The fluctuation fund would have ordinarily supported participation growth seen in the summer and autumn term, however growth did not take place.	(0.332)
Other Underspends and Overspends Other notable variances include a reduction in the central staffing budgets (£0.263m); reduced allocations on the Disability Access Fund (£0.059m) and Early Years Pupil Premium (£0.049m).	(0.331)
Total	(0.798)

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 and the centralised schools broadband contract. 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	(0.172)
Uncommitted Sum This was the uncommitted sum set aside last year from the formulaic funding for the ongoing responsibilities LAs hold for all schools.	(0.196)
Other Underspends and Overspends	0.009
Total	(0.359)

Summary:

Budget	(Underspend) / Overspend £m
Schools Block	(0.107)
High Needs Block	2.405
Early Years Block	(0.798)
Central School Services Block	(0.359)
Total Underspend 2019/20	1.142

2020/21 DSG commitments

The commitments are:

Budget	Commitment £m
<p>Former Early years disadvantaged two year old funding This former earmarked two year old trajectory funding has been re-prioritised to respond to early years sector challenges as a result of the pandemic. Almost all providers said that the pandemic had significantly impacted the learning and development of children who had left and subsequently returned. They were particularly concerned about children's personal, social and emotional development. Some children had returned less confident and more anxious.</p> <p>The proposal is to expand the remit of the funding within this earmarked reserve to support longer term outcomes for all early years' children through targeted programmes of support and encouraging early years participation levels. This programme of support will go through Children's Services decision-making process, and it is expected to provide targeted support over a number of years.</p>	0.977
<p>Sector-led investment Additional funding for Sector-led school improvements were 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, along with the anticipated outcomes from the Covid-19 catch up premium funding and the National Tutoring programme, and recently announced Covid-19 recovery premium funding. 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 detailed report is planned to come to the January 2022 Schools Forum meeting.</p>	0.683
<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. Therefore it is of sound financial planning to prudently earmark funding to manage this financial risk.</p> <p>This fund will support other planned reorganisations 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>	1.000

<p>SEND Strategy</p> <p>Funding to support the implementation of the strategy in special schools to provide All 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 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 due to the government's lagged funding arrangements.</p>	1.896
<p>Schools 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. Funding was previously earmarked to support any funding shortfall up to the end point of the contract. Thereafter schools will be required to meet the full cost of broadband services.</p> <p>The government has made a further announcement to reduce historical commitments by 20% in 2022/23. The LA therefore plans to prudently earmark a reduced sum of funding, to support any potential transitional cost.</p>	0.300
<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>	0.089
<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. Based on current movement (4 pupils transitioned in the first quarter), a budget of £0.080m per annum is required 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 is for the LA to fulfil its statutory duty to 'make arrangement' for children and young people (CYP) who are unable to</p>	0.704

<p>access school because of ill health. This 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 – beyond the placement in Pilgrim Hospital School. To this end, a multi-disciplinary consultation group will be introduced from September 2021 comprising specialists with decision-making authority as well as third sector organisations. The panel will consider the range of options for each case and propose a package of support, which may in some cases, be Pilgrim intervention but may also be some form of community support. The panel will run every school week for a pilot year. Funding currently earmarked for the next three years, allowing a transition into the base budget.</p>	
<p>Total</p>	<p>5.969</p>