

**Decision maker:** Cabinet Member for Education Services

**Subject:** Education Portfolio Budget Monitoring Report for the First Quarter 2016/17

**Date of decision:** 22 September 2016

**Report from:** Chris Ward, Director of Finance and Section 151 Officer

**Report by:** Richard Webb, Finance Manager

**Wards affected:** All

**Key decision:** No

**Budget & policy framework decision:** No

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## **1. Purpose of report**

- 1.1.** To inform the Cabinet Member of the projected revenue cash limit expenditure within the portfolio cash limit and capital programme for the current financial year 2016-17. This report sets out the budget position and contributing factors to the projected spend within the portfolio as at the end of June 2016.

## **2. Summary**

- 2.1.** The current forecast is for the total portfolio spending to be broadly in line with the revenue budget provision and capital programme. Expected pressures on school transport and school improvement are currently offset by staffing savings from vacant posts and additional income.

## **3 Recommendations**

- 3.1** It is recommended that the Cabinet Member notes the Education Portfolio forecast revenue and capital budget positions, at the end of June 2016 together with the variance and pressure explanations.

#### 4 Summary Position against Cash Limited Budget at the end of June 2016

- 4.1 At the commencement of the financial year 2016-17 the Education Portfolio was created following the separation from Children's Social Care and Safeguarding.
- 4.2 Under the approved financial arrangements, overspends and underspends are carried forward by the portfolio into the following financial year, as portfolio's are now expected to manage their financial resources across financial years in order to encourage medium term operational and financial planning. However, for this portfolio any balances from prior years have been subsumed corporately to provide a zero balance starting point for the new portfolio.
- 4.3 At the end of the first quarter a small overspend of £8k is currently forecast for the financial year as shown in the table below.

Service Area	Current Budget	Current Forecast	Variation
	£000	£000	£000
Senior Management	288	328	40
School Improvement	763	730	-33
Inclusion Support	3,714	3,761	47
Sufficiency, Participation & Support	1,008	962	-46
	5,773	5,781	8

The forecast variances to budget are explained further below.

- 4.4 **Senior Management** (£40,000 overspend): arrangements involved in the re-creation of a Director of Children's Services and supporting staff still requires some redirection of budget resources.
- 4.5 **School Improvement** (£33,000 underspend): difficulties in recruitment, turnover of staff and the holding of some posts vacant, has meant staffing costs in this area are currently forecast at £247,000 below budget. This may also be a contributing factor to the anticipated reduction in income of some £30,000. Of this overall saving, it is currently anticipated that about £185,000 will be directed towards the new arrangements being developed to deliver school improvement activities.
- 4.6 **Inclusion Support** (£47,000 overspend): home to school transport provides perennial budget pressures and the current forecast is for an overspend in the region of £160,000. Policy changes in prior years have assisted in reducing numbers of pupils transported; but the costs are not reducing proportionately. This pressure has been partially obscured by forecast savings from staff vacancies and turnover of £58,000 and additional income of £55,000 from usage of the Psychology services.
- 4.7 **Sufficiency, Participation and Support** (£46,000 underspend): staff vacancies and turnover, including the delayed appointment of the Head of Service, are resulting in an underspend in this area.

## **5 Capital Programme**

- 5.1 Attached at Appendix 1 is the current capital budget monitoring position in respect of all schemes in the capital programme for Children and Education, which was approved by Council in 9<sup>th</sup> February 2016, together with narrative for any variances against the approved budget. The current approved budget incorporates an approved variation reflecting school contributions of £94,800 towards condition and modernisation works at schools.
- 5.2 The current variances in scheme costs suggest a small underspend against total scheme cost, which is likely to be taken up in additional costs as schemes progress over the summer months. Overall, the capital programme will be managed within available resources.

## **6 Summary**

- 6.1 The portfolio budget is currently forecast to overspend slightly but within this there are significant variations in Transport provision, and the way education improvement support services are provided. These are generally offset by in year savings against staffing budgets due to vacancies and turnover.
- 6.2 The capital programme continues to be managed within the resources available.

## **7 Equality impact assessment (EIA)**

- 7.1 No impact assessment has been carried out as the proposals do not have any impact upon a particular equalities group.

## **8 Legal comments**

- 8.1 There are no legal implications arising directly from the recommendations in this report.

## **9 Director of Finance comments**

- 9.1 Financial comments are contained within the body of the report.

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**Chris Ward, Director of Finance and Section 151 Officer**

**Background list of documents: Section 100D of the Local Government Act 1972**

The information upon which this report has been based has been drawn from a variety of sources; however much of the information used is held in budget files prepared by the Children and Education Finance Team. Please contact Richard Webb, Finance Manager, if required.

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by the Cabinet Member for Education on 22 September 2016

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Signed by: Cabinet Member



**Children & Education  
CAPITAL BUDGETS**

Item	Scheme	Revised Budget 16-17	Actual spend to	Manager Forecast Spend	Forecast Variance	Explanantion
		£	£	£	£	
1	Primary Capital Programme	15,748,800	14,717,500	15,872,400	123,700	Overspend at Goldsmith Infant & Brambles Nursery for the additional works to the kitchen, extension to the temporary classrooms project, additional roofing works to section 4 and the kitchen area.
2	Victory School	10,209,500	10,193,400	10,209,800	300	
3	Sufficiency Programme Phase One 2013- 2015	6,511,300	6,145,100	6,515,800	4,500	
4	Sufficiency Programme Phase Two 2015- 2017	10,104,200	1,440,700	9,946,000	-158,100	Reduce programme to fund overspend in Primary Capital Programme line 1.
5	Secondary School Feasibility Study	150,000	41,400	150,000	0	
6	Temporary Accommodation	312,900	328,000	332,400	19,500	Second Phase of the project was more expensive. Had to buy a WC module for the accomodation and pump.
7	Vanguard Centre	2,500,000	188,700	2,500,000	0	
8	King Richard School Rebuild 900-1000 places	1,985,500	1,349,900	1,985,500	0	
9	Portsmouth College Sufficiency Post 16	245,000	243,200	244,000	-1,000	
10	Schools Devolved Formula Capital 2010-17	9,875,400	9,595,100	9,875,400	0	
11	Adaptations to Foster Carer Properties	195,000	85,700	195,000	0	
12	Universal Infant Free School Meal Works	791,000	790,600	787,300	-3,700	
13	Universal Infant Free School Meal Provision	628,700	588,700	628,700	0	
14	Salix	108,700	71,000	118,500	9,900	
15	St Edmunds SI Provision	537,000	478,300	488,200	-48,800	
16	Access SEN Pupils	277,400	248,000	283,200	5,800	
17	ALN Lift Repairs	42,200	41,100	42,200	0	
18	Mayfield East Field	800	800	800	0	
19	Schools Conditions Projects - Modernisation	1,463,200	1,231,700	1,484,500	21,300	
20	School Condition Projects 2014-2016	2,969,500	2,723,700	2,970,300	900	
21	King Richard - Contingency re Condition Issues	219,800	219,800	219,800	0	
22	Electrical Distribution Boards - Various Schools	90,900	90,900	90,900	0	
23	Cliffdale - Boilers/Heating System	340,500	340,500	340,500	0	
24	Fluorescent Light	235,800	235,800	235,800	0	
25	King Richard Legionella Control	172,700	172,700	172,700	0	
26	City Boys Legionella Control	36,400	36,400	36,400	0	
27	City Boys ASC Provision	7,500	7,500	7,500	0	
28	Wimborne Junior Boilers & Heating System	377,700	377,700	377,700	0	
29	Paulsgrove Primary Structural Repairs	43,100	43,100	43,100	0	
30	Meon Junior Emergency Lighting	46,100	46,100	46,100	0	
31	City Boys Concrete Panel Replacement	343,600	343,600	343,600	0	
32	Court Lane Junior Legionella Works	191,600	191,600	191,600	0	
33	Gatcombe Park Primary Window Replacement	35,600	35,600	35,600	0	
34	Highbury Primary Replacement Boiler & Heating (Design Only)	11,200	11,200	11,200	0	
35	Arundel Court Federation Legionella	1,800	1,800	1,800	0	
36	Cottage Grove Flat Roof Replacement	81,200	81,200	81,200	0	
37	Cumberland Infant Installation of Emergency Lighting	45,400	45,400	45,400	0	
38	Langstone Infant Asbestos in Boiler Room	2,400	2,400	2,400	0	
39	Moorings Way Replace Electrical Distribution Boards	33,600	33,600	33,600	0	
40	Arundel Court Foyer	80,500	80,500	80,500	0	
41	Meredith Annexe (Urgent H&S)	6,100	6,100	6,100	0	
42	Newbridge School Servery (Urgent H&S)	25,200	25,200	25,200	0	
43	Harbour @ Fratton Condition Works	7,900	7,900	7,900	0	
44	City Boys Science Block Roof Replacement	110,800	110,800	110,800	0	
45	Moorings Way Replace Flat Roofs	54,800	54,800	54,800	0	
46	Manor Infant Classroom remodel	15,000	15,000	15,000	0	
47	Mayfield School Kitchen Feasibility Study	5,000	5,000	5,000	0	
48	Harbour School Relocation Feasibility Study	10,000	10,000	10,000	0	
49	Southsea Infant Boiler Replacement	25,700	25,700	25,700	0	
50	Newbridge Junior Clinic Roof	8,100	8,100	8,100	0	
51	Stamshaw Junior Fencing and Security Improvements	26,300	26,300	26,300	0	
52	Portsmouth Primary Emergency Lighting	35,800	39,600	39,600	3,800	
53	Meredith Infant Boiler Controls	17,400	17,400	17,400	0	
54	Redwood Park Water Main Replacement	33,400	33,400	33,400	0	
55	College Park Boiler Controls	7,800	7,800	7,800	0	
56	Westover School Water Ingress	11,300	11,300	11,300	0	
57	School Conditions Project 2016/17	1,033,500	52,100	1,026,400	-7,100	
58	Secondary School Places Expansion Phase (1)	1,500,000	0	1,500,000	0	
59	Secondary School Places Expansion (2)	1,800,000	0	1,800,000	0	
60	Special Education Needs - Building Alterations	3,200,000	10,400	3,210,400	10,400	
	<b>TOTAL</b>	<b>74,987,600</b>	<b>53,366,900</b>	<b>74,968,600</b>	<b>-18,600</b>	Will be used as contingency to help emergency repairs in the winter months.

[Please note figures may not sum exactly due to roundings]