

Decision maker:	Cabinet Member for Education
Subject:	Education Portfolio Budget Monitoring Report for the First Quarter 2017/18
Date of decision:	14 September 2017
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

1. Purpose of report

- 1.1.** To inform the Cabinet Member of the projected revenue expenditure within the portfolio cash limit and capital programme for the current financial year 2017-18. This report sets out the budget position and contributing factors to the projected spend within the portfolio as at the end of June 2017.

2. Summary

- 2.1.** The current forecast is for the total portfolio spending to be £59,000 in excess of the revenue budget provision. Expected pressures on school transport are currently partially offset by staffing savings from vacant posts and additional income. The capital programme is currently forecasting a slight overspend of £30,000 on the approved capital budget of £79.5m.

3 Recommendations

- 3.1** It is recommended that the Cabinet Member notes the Education Portfolio forecast revenue and capital budget positions, as at the end of June 2017, together with the variance and pressure explanations.

4 Summary Position against Cash Limited Budget at the end of June 2017

- 4.1 The service carried forward £211,400 into the portfolio reserve at the end of 2016/17. Since then approvals to spend from this reserve have amounted to £148,400. It is proposed that the remaining £63,000 is earmarked to fund any potential pressures during 2017/18.
- 4.2 At the end of the first quarter a small overspend of £59,000 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	17	36	19
School Improvement	536	464	-72
Inclusion Support	4,095	4,262	167
Sufficiency, Participation & Support	963	908	-55
	5,611	5,670	59

The forecast variances to budget are explained further below.

- 4.3 **Senior Management** (£19,000 overspend): Staffing costs are currently anticipated to be £23k in excess of budget provision, as a result of unfunded market supplements and incremental payments.
- 4.4 **School Improvement** (£72,000 underspend): Vacant posts provide savings of £62k. Current traded income is forecast at £10k above budget due to indicative take up exceeding budgeted expectations.
- 4.5 **Inclusion Support** (£167,000 overspend): home to school transport provides perennial budget pressures and the current forecast is for an overspend in the region of £257,000. A small number of very high cost pupils are increasing the overspend. Work is being undertaken to identify potential areas for cost efficiencies and to improve forecasts for 2017/18. This pressure has been partially offset by forecast savings from staff vacancies.
- 4.6 **Sufficiency, Participation and Support** (£55,000 underspend): staff vacancies and additional income, 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 Education, which was approved by Council in 9th February 2017. The current approved budget incorporates changes reflecting additional school contributions towards condition and modernisation works at schools along with additional grant funded schemes to deliver early year places.

5.2 Current spending at £58m is some £21.5m below approved funding for the schemes identified reflecting the longer term nature of capital spending. However, at this stage, the forecast eventual spending levels suggest a possible overall overspend of £30,000 against total approved funding of £79.459m. Comments related to the variations are noted on Appendix 1, and arrangements to re-align budgets and adjust spending plans are currently being considered.

6 Summary

6.1 The portfolio budget is currently forecast to overspend slightly but within this there is a significant variation in Transport provision. This is being partially offset by in year savings against staffing budgets due to vacancies and turnover.

6.2 The capital programme is broadly spending in line with approved funding levels with some minor project spend variations requiring capital virements to be put in place.

7 Equality impact assessment (EIA)

7.1 An equality impact assessment is not required as the recommendations do not have a negative impact on any of the protected characteristics as described in the Equality Act 2010. There is no change to policy or service and through the budget review process equality impact assessments would be undertaken on an individual basis as required.

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 on

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Signed by: Cabinet Member



Education Capital Budgets

APPENDIX 1

No.	Scheme	Current Approved Budget	Actual spend to Jun 17	Forecast Spend	Variance	Explanation
		£	£	£	£	
1	Primary Capital Programme	16,004,000	15,757,000	15,994,800	-9,200	Savings in scheme costs and unneeded contingency provision. Anticipated that this will be redirected towards other school sufficiency schemes.
2	Victory School	10,214,300	10,197,900	10,202,300	-12,000	Contingency savings
3	Sufficiency Programme Phase One 2013-2015	6,555,800	6,241,500	6,549,800	-6,000	
4	Sufficiency Programme Phase Two 2015-2017	10,616,700	3,766,800	10,650,000	33,300	additional school requirements to be funded
5	Secondary School Feasibility Study	150,000	93,900	150,000	0	
6	Temporary Accommodation	333,100	328,000	328,000	-5,100	
7	Vanguard Centre	2,500,000	709,700	2,500,000	0	
8	King Richard School Rebuild 900-1000 places	1,685,500	1,378,000	1,667,200	-18,300	
9	Portsmouth College Sufficiency Post 16	244,000	245,900	245,900	1,900	
10	Schools Devolved Formula Capital 2010-17	9,261,800	9,546,800	9,261,800	0	
11	Universal Infant Free School Meal Works	873,100	867,300	879,700	6,600	to be funded via revenue income
12	Universal Infant Free School Meal Provision	628,700	593,100	628,700	0	
13	Salix	71,000	71,000	71,000	0	
14	St Edmunds SI Provision	488,200	507,300	507,300	19,100	Additional signage and paving requirements to facilitate usage by sensory impaired students.
15	Access SEN Pupils	283,200	249,000	286,800	3,600	
16	ALN Lift Repairs	42,200	41,100	42,200	0	
17	Mayfield East Field	800	800	800	0	
18	Schools Conditions Projects - Modernisation 2015-16	1,507,200	1,331,600	1,517,700	10,500	
19	School Condition Projects 2014-2016	2,845,000	2,689,700	2,758,800	-86,200	scheme savings and unallocated contingencies.
20	Portsdown Primary Emergency Lighting	39,600	39,600	39,600	0	
21	School Conditions Project 2016/17	1,005,400	827,700	1,096,800	91,400	increased costs of roofing works and emergency Health and Safety works
22	Secondary School Places Expansion Phase (1)	1,550,000	599,000	1,550,000	0	
23	Special Education Needs - Building Alterations	3,191,600	172,600	3,192,000	400	
24	Schools Devolved Formula Capital 2016-17	2,682,200	1,652,000	2,682,200	0	
25	Sufficiency of Secondary School Places	4,470,000	1,300	4,470,000	0	
26	Future secondary School Places	1,000,000	1,700	1,000,000	0	
27	School Condition 2017/18	1,215,500	40,000	1,215,500	0	project approvals currently being revisited
TOTALS		79,458,900	57,950,300	79,488,900	30,000	