



NOTICE OF MEETING

CABINET MEMBER FOR EDUCATION

THURSDAY, 15 FEBRUARY 2018 AT 4.00 PM

THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL

Telephone enquiries to Lisa Gallacher 02392 834056

Email: lisa.gallacher@portsmouthcc.gov.uk

If any member of the public wishing to attend the meeting has access requirements, please notify the contact named above.

CABINET MEMBER FOR EDUCATION

Councillor Hannah Hockaday (Conservative)

Group Spokespersons

Councillor Suzy Horton, Liberal Democrat

(NB This Agenda should be retained for future reference with the minutes of this meeting.)

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AGENDA

- 1 Apologies for absence
- 2 Declarations of Members' Interests

3 Secondary School Place Strategy 2017-2023 (Pages 5 - 32)

Purpose of report

The purpose of this report is to present the Secondary School Place Strategy 2017-2023, highlighting future secondary school place pressures and the potential solutions to address the projected deficit in school place capacity.

RECOMMENDED

- (1) That the Cabinet Member approves the Secondary School Place Strategy 2017-2023.**
- (2) That the four schemes identified in the Strategy are endorsed as the basis for delivering the required additional places (subject to the identification of funding) and would generate an additional 910 secondary school places.**

4 Quarterly Update on the School Modernisation programme 2017/18 (Pages 33 - 38)

Purpose of report

- 1.1 The purpose of this report is to provide a Quarter 3 update on the progress of:
 - urgent school condition projects
 - secondary school sufficiency schemes aimed at increasing secondary school place capacity within the city.
- 1.2 The quarterly budget monitoring report (also on this agenda) contains information in relation the financial position of the education capital programme.

RECOMMENDED that the Cabinet Member notes the progress on the school modernisation "urgent condition" projects and the secondary school sufficiency projects (as set out in the report and in Appendix A).

5 Education Budget Monitoring Report for the Third Quarter 2017-18 (Pages 39 - 44)

Purpose

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 December 2017.

RECOMMENDED that the Cabinet Member notes the Education Portfolio forecast revenue and capital budget positions, as at the end of

December 2017, together with the variance and pressure explanations.

6 Dedicated Schools Grant Budget Monitoring Report for the Third Quarter 2017/18 (Pages 45 - 52)

Purpose of report

- (1) To inform the Cabinet Member for Education of the projected revenue expenditure within the Dedicated Schools Grant (DSG) for the current financial year 2017-18 as at the end of December 2017.
- (2) To provide an update on the 2018-19 predicted pressures following further information from the Department for Education (DfE) and Special Educational Needs and Disability team.

RECOMMENDED that the Cabinet Member:

- (1) Notes the forecast year-end budget position for the Dedicated Schools Grant as at the end 31st December 2017, together with the associated explanations contained within this report.**
- (2) Notes the potential pressures for 2018-19 and impact on the brought forward balances.**

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Agenda Item 3



Portsmouth
CITY COUNCIL

Decision maker	Cabinet Member for Education
Subject:	Secondary School Place Strategy 2017-2023
Date of meeting:	15 February 2018
Report from:	Alison Jeffery Director of Children, Families and Education
Report by:	Caroline Corcoran Head of Sufficiency, Participation and Resources - Education Service
Wards affected:	All Wards
Key decision (over £250k):	No

1. Purpose of report

- 1.1 The purpose of this report is to present the Secondary School Place Strategy 2017-2023, highlighting future secondary school place pressures and the potential solutions to address the projected deficit in school place capacity.

2. Recommendations

- 2.1 **It is recommended that the Cabinet Member approves the Secondary School Place Strategy 2017-2023.**
- 2.2 **It is recommended that the four schemes identified in the Strategy are endorsed as the basis for delivering the required additional places (subject to the identification of funding) and would generate an additional 910 secondary school places.**

3. Background

- 3.1 Section 14 of the Education Act 1996 requires Portsmouth City Council to ensure that there are sufficient school places for resident children. This duty requires the Council to forecast future pupil populations so that it can ensure that sufficient places are provided.
- 3.2 Over the last five years, there has been an unprecedented rise in pupil numbers at primary level. In order to meet the demand for school places and ensure the Local Authority meets its statutory duty to provide every resident child with a school place, an additional 1,600 primary school places have been created in Portsmouth since 2012 through two phases of primary expansion. This has been achieved by working with both LA maintained schools and academies, expanding existing primary schools and establishing an all through 4-16 school at Mayfield School.

- 3.3 Despite this investment, a surplus of less than 2% at Year R (Reception intake) has been achieved. These places are scattered across the city and whilst the birth rate has now stabilised, the pressure on primary places continues to be a challenge due to the limited surplus that is available.
- 3.4 The additional primary pupils flowing through the primary sector are starting to approach secondary age. Attention has now turned to secondary school places.
- 3.5 Between 2008 and 2012, secondary school numbers were falling. However, the secondary numbers have stabilised in recent years, and are predicted to rise significantly. Forecasts on future secondary numbers show that an upward trend from 2017/18 will continue and have a significant impact from 2019/20 onwards.
- 3.6 By working with LA maintained schools, academies and Multi Academy Trusts and using a strategy of expanding existing schools, the Council can ensure there are enough secondary school places in Portsmouth.
- 3.8 The Secondary School Place Strategy 2017-2023 outlines the immediate and medium-term pressures on secondary school places. The Strategy and the feasibility studies have informed recommendations to address future sufficiency of school place issues.

4. Forecasting Pupil Numbers

- 4.1 Detailed analysis and forecasting confirms that the Council will not be able to meet its statutory duty by September 2020, as the number of pupils requiring secondary school places will exceed available capacity.
- 4.2 The key findings of the forecasting and place planning review were:
- By 2020/21, there will be a shortfall of 40 secondary school places, and action is required to ensure that additional places are available by September 2020.
 - The shortfall increases in future years, and is estimated at 181 places by 2023/24.
 - It is likely that the demand for secondary school places will continue after 2023/24, but this cannot yet be reliably estimated. Future pressures will be reviewed on an annual basis.
 - Feasibility studies have been undertaken to identify secondary school expansion schemes which could address the deficit of places which has been identified.
 - There is a lead-in time for expansion schemes due to the time required for capital building works, and therefore urgent action is required.

5. Feasibility Studies

- 5.1 Feasibility studies have been undertaken to explore the potential for expansion at The Portsmouth Academy, Admiral Lord Nelson School and Charter Academy. The feasibility reports for the 3 sites are complete. A minor works proposal at Trafalgar School has also been considered to increase the number of places.
- 5.2 Due to the rise in pupil numbers nationally, the Government is now using an assumption of 2% surplus for both primary and secondary as the basis for basic need allocations to Local Authorities. In light of this and the acute pressures facing Portsmouth, the Council uses a minimum level of surplus of 2% for planning purposes.
- 5.3 It should be noted that, even with these four schemes, the surplus would be 1.31% by 2023/2024, and therefore, the schemes represent the minimum intervention that is required to meet the Council's statutory duty.

6. Funding

- 6.1 An over-arching risk to the secondary sufficiency programme is the identification of sufficient funding over time to support the individual schemes.
- 6.2 Funding for the scheme at The Portsmouth Academy is already in place.
- 6.3 Financial modelling based on the government's formula and the annual school capacity return to the Department for Education indicates that government allocations for future years should support the delivery of the secondary sufficiency schemes. The allocations for future years beyond 2019/20 have not been announced.
- 6.4 Capital funding to support the development of the schemes is being sought.

7. Conclusion

- 7.1 The Council continues to have the statutory duty to provide sufficient school places for resident children and is committed to working with schools, academies and Multi Academy Trusts for the benefit of children and young people in Portsmouth.
- 7.2 Detailed analysis and forecasting confirms that the Council will not be able to meet its statutory duty by September 2020, as the number of pupils requiring secondary school places will exceed available capacity.
- 7.3 Four capital building schemes have been identified which could address the projected deficit in secondary school places.

8. Equality Impact Assessment (EIA)

- 8.1 An equality impact assessment is not required for the Secondary School Place Strategy as it is not possible to assess the protected characteristics reasonably, as described in the Equality Act 2010, across such a diverse range of capital works.
- 8.2 The implementation of the sufficiency schemes to increase the capacity of school places will not have a negative impact on any of the equality groups. The schemes will improve access to schools for all equality groups, particularly with regard to those pupils who have special education needs and / or disabilities.
- 8.3 Each individual capital scheme includes an equalities impact assessment.

9. Legal implications

- 9.1 The Local Authority has a statutory duty to provide sufficient schools for primary and secondary education in its area in accordance with section 14 of the Education Act 1996. The schools must be sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education. Local Authorities must also promote diversity and parental preference
- 9.2 The procurement process for the contracts for the works will need to be undertaken in accordance with the City Council's Contract Procedure Rules, at Part 3A of the constitution.
- 9.3 Under Part 2, Section 3, of the City Council's constitution the Cabinet Member for Education has the authority to approve the recommendations set out in this report.

10. Finance comments

- 10.1 Basic need capital funding allocations are added to the 'single capital pot' which is used to contribute towards the funding of the authority's overall capital programme. In approving the capital programme in February the Council will give due consideration to the likely future income streams and spending proposals that are incorporated within the secondary school place strategy document.
- 10.2 The implementation of the proposals contained within the document will be dependent on the funding made available through the approved capital programme.

Signed by:
Alison Jeffery, Director of Children, Families and Education

Appendix A: Secondary School Place Strategy 2017-2023

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

The recommendation(s) set out above were approved/ approved as amended/ deferred/
rejected by on

.....
Signed by:

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SECONDARY SCHOOL PLACE STRATEGY

2017 - 2023

***Commissioning school places and determining
capital investment priorities***

September 2017

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1. Introduction

- 1.1 This document sets out Portsmouth City Council's strategy for Secondary School Place Planning, initially for the period 2017-2023 but also looking forward to the longer term demand for places. It includes proposals to meet the need for expansion of existing schools to meet a rising demand for secondary school places in the city in forthcoming years.
- 1.2 Section 14 of the Education Act 1996 requires Portsmouth City Council to ensure that there are sufficient school places for resident children. This duty requires the Council to forecast future pupil populations so that it can ensure that sufficient places are provided.
- 1.3 The DfE requires Councils to submit their pupil projections annually and these inform the Government allocation of Basic Need capital funding to Councils. **Appendix A** explains the pupil forecasting methodology which supports the pupil projections.
- 1.4 The geography of Portsmouth is important for pupil place forecasting because the lack of permeable boundaries on the east, south and west greatly restricts the potential for migration into and out of the City Council area by pupils. Portsmouth is the most densely populated city in the UK, outside of London, with 5,000 people per km². Portsmouth parents generally have a broad choice of schools within a small distance. However, there is a significant barrier to pupil movement (as could be expressed through parental preference) due to the water course between the island and mainland parts of the City area. **Appendix B** is a map of Portsmouth showing school locations.
- 1.5 Over the last five years, there has been an unprecedented rise in pupil numbers at primary level. In order to meet the demand for school places and ensure the Local Authority meets its statutory duty to provide every resident child with a school place, an additional 1,600 primary school places have been created in Portsmouth since 2012 through two phases of primary expansion. This has been achieved by working with both LA maintained schools and academies, expanding existing primary schools and establishing an all through 4-16 school at Mayfield School. Despite this investment, a surplus of less than 2% at Year R (Reception intake) has been achieved. These places are scattered across the city and whilst the birth rate has now stabilised, the pressure on primary places continues to be a challenge due to the limited surplus that is available.
- 1.6 Further action is required to address the future pressures for secondary school places, and to ensure that there is sufficient capacity within secondary provision for pupils moving from primary to secondary schools from September 2019 onwards.

- 1.7 Some works in secondary schools have already been undertaken to enable a modest increase capacity for 2017/18 and 2018/19. Forecasts show that there is a shortfall of secondary places from September 2019, with the upward trend of secondary numbers continuing and increasing over time. **Appendix C** outlines the pupil forecasts up to 2023/24.
- 1.8 The Strategy outlines the place pressures that must be addressed, provides an evidence-based analysis of potential options and includes recommendations for the way forward.

2. Portsmouth Context

- 2.1 There were more than 25,000 pupils in Portsmouth maintained schools and academies (as at the May 2017 school census).

Primary	16,481	65%
Secondary	8,407	33%
Special	600	2%
	25,488	

This figure does not include pupils in private schools.

- 2.2 The table below shows the spread of pupils across primary and secondary provision, and the number of pupils accessing special school provision to meet their specific needs.

	Maintained schools	Academies	Total
Infant	3196	629	3825
Junior	2253	2301	4554
Primary	4766	3336	8102
Secondary	2538	5869	8407
Special	208	392	600
Total	12961	12527	25488

- 2.3 The number of primary pupils has been rising significantly for over a decade. The demand for school places in Portsmouth has been fuelled by rising birth rates, inward migration, reductions in the number of children accessing education outside of Portsmouth or accessing independent education; and the impact of regeneration schemes and housing developments.
- 2.4 Since 2001 there has been an unprecedented rise in the birth rate by 25%. However live birth data for 2014 identified a slight decrease for the first time in 2 years. Data for 2015 and 2016 has shown that the birth rate has stabilised. Although this could be taken to indicate a future fall in pupil numbers, recent history has shown that a sustained drop in birth rate cannot be predicted from a decrease in live births over just a few years. For example, live birth numbers dropped in 2011 and the suggestion was that birth rates had peaked in 2010 at 2717 births. However, live births increased again in 2012 and 2013, reaching a new peak of 2748 births in 2013. Therefore, birth rate analysis is considered with caution.

- 2.5 The economic climate can impact on the pupil numbers, either reducing the proportion of pupils leaving the LA maintained sector for independent schools or resulting in a reduction in outward migration from the Local Authority area. The economic impact has affected pupil numbers across the majority of the country and this impact appears to be evident in predicted pupil numbers across Portsmouth.
- 2.6 The additional primary pupils flowing through the primary sector are starting to approach secondary age. Attention has now turned to secondary school places.
- 2.7 Between 2008 and 2012, secondary school numbers were falling. However, the secondary numbers have stabilised in recent years, and are predicted to rise significantly. Forecasts on future secondary numbers show that an upward trend from 2017/18 will continue and have a significant impact from 2019/20 onwards. **Section 3** provides a detailed explanation about the forecasted position for future years.
- 2.8 There is a concern that the city will run out of secondary school places by the end of the decade, unless significant investment is made. By working with LA maintained schools, academies and Multi Academy Trusts and using a strategy of expanding existing schools, the Council can ensure there are enough secondary school places in Portsmouth.
- 2.9 The condition of many of our schools also remains a concern. The Council will continue to use capital maintenance funding to address the most urgent condition works in LA maintained schools and academies will do the same either through their allocation from the Department for Education (DfE) or the Education and Skills Funding Agency (ESFA).
- 2.10 A **key priority** is to secure capital funding to address sufficiency of school places and address the urgent condition issues in the city's schools.
- 2.11 Taking into account the overall rise in the pupil population, there is also a commitment to maintaining the current capacity of special school places but remodelling the schools to take on more complex needs. This approach supports the growth of more inclusive practice in mainstream schools.

Portsmouth Education Partnership

2.12 Some schools are maintained by the Local Authority, and other schools are academies within a Multi Academy Trust. In Portsmouth, all schools are encouraged over time to become part of a strong Multi Academy Trust. There are 12 Multi Academy Trusts operating within the city.

	LA Maintained schools	Academies	Total
Infant	14	2	16
Junior	6	6	12
Primary *	13	8	21
Secondary *	3	7	10
Special	2	3	5
Total *	38	26	63

* The all-through school, which has primary and secondary is counted once in the all schools total.

2.13 85% of schools are *Good or better* compared to just 50% five years ago (as at July 2017). All schools are above the floor standards at Key Stage 2 (KS2) and Key Stage 4 (KS4), yet despite a trend of improvement, Portsmouth remains well below national averages for attainment and progress at KS2 and KS4.

2.14 The Portsmouth Education Partnership has been set up to bring together Multi Academy Trusts, individual schools and academies, colleges, early years settings, the Regional Schools Commissioner, the University, the Dioceses, the Education Business Partnership and Portsmouth City Council to drive improved attainment and opportunity for all children and young people across the city.

2.15 The Portsmouth Education Partnership is linked to the overarching Children's Trust arrangements for Portsmouth which bring together all agencies whose work affects the lives of children, young people and families. All Children's Trust partners are determined to work together to achieve a step change in educational achievement and life chances for all young people.

2.16 The Portsmouth Education Strategy for 2017-2020 explains the challenges for education in the city.

"Nearly a quarter of the city's children live in poverty, with the figure even higher in some areas. There is long standing under achievement particularly by White British boys. One fifth of pupils are from black or minority ethnic groups with most of these speaking English as an additional language; over 100 languages are spoken by pupils attending Portsmouth's schools. Expectations of what many young people can achieve - their own, their parents' and those of their community - are often too low.

Whilst the challenges are significant, the city benefits greatly from a dedicated, talented and diverse workforce within education and children's services who are passionate about improving life chances for children in the city. Children are expertly supported by skilled professionals including teachers, school and college leaders, specialist NHS staff and many others, who go the extra mile on a regular basis to give them the best possible foundation for success in their lives. The result is that despite the challenges, many Portsmouth children leave education well placed to take advantage of the increasing opportunities created by the recent investment in and strong economic development of the area."

2.17 The Portsmouth Education Partnership's Vision includes the ambition that:

"All children and young people, whatever their background and circumstances, should be confident, resilient, enthusiastic, happy and successful learners, well prepared for a productive, resilient adulthood and active membership of their communities".

3. Secondary School Places

Forecasting methodology

- 3.1 Pupil forecasts are reviewed on an annual basis by the DfE. The data within this document is based on the annual review undertaken and submitted in July 2017. The forecasts for the 2017 return cover the period to 2023/24. Forecasting pupil numbers is affected by a wide range of factors such as:
- Birth rate
 - Inward and outward migration
 - Navy movement
 - Cross border changes
 - Housing development timeframes and impact, such as Tipner/Milton
 - Future Free Schools
 - Impact of University Technology College (UTC)
- 3.2 In 2016, Re:Format undertook a study into secondary school capacity and a review of options to expand the number of places (see **Section 4**). As part of this study, the Council's pupil forecasting methodology was reviewed to ensure that it was producing accurate forecasts which supported decision-making to address the demand for secondary school places in the future.
- 3.3 The analysis of the methodology and projections concluded that the Council uses an impressive range of data sources to model conversion ratios to establish the actual Reception Year cohort. The report also commented on the conversion calculations, with low variability in the Year 6 to Year 7 conversion rate. In conclusion, there was confidence that the methodology is an appropriate basis for projecting the future year 7 cohort. The full forecasting methodology is at **Appendix A**.
- 3.4 Methodology Forecasting at the primary and secondary aggregate level is based on the cohort survival method that assumes pupil numbers will roll forward from one year group to the next at the end of each academic year. Year on year changes, which may be influenced by such factors as migration, turbulence, demographic and building changes, are projected forward by using the highest value of the last 5 years. The Council has pupil census data going back to 1996. This model produces forecasts of the usually resident population by age and sex in each Census Output Area in the City and is based on Census, birth and child health data and dwelling supply information. This tried and trusted methodology continues to produce highly accurate forecasts.

- 3.5 At the aggregate level, secondary pupil forecasts are based on the highest value of the last 5 years of participation rates based on actual (School Census) and forecast numbers from the primary sector. Currently, Year 7 cohorts are approximately 91% of their Year 6 total in the previous academic year.
- 3.6 The conversion rate is stable. Over the five years, it has varied between 89.4% and 91.2%. The fluctuation in conversion rate year on year has never been more than 1.9%. In the last 8 years it has been within 1% of the previous year (each percentage point equates to approximately 18 pupils at the current cohort size). The low variability in the Year 6 to Year 7 conversion rate in recent years gives confidence that it is an appropriate basis for projecting the future year 7 cohort and therefore 91% has been used as the basis of the projection going forward.
- 3.7 The conversion rate would be reviewed if Portsmouth residents become less able to secure places at Hampshire schools. Regular discussions take place with Hampshire County Council to review the cross border impact and to ensure that any changes in pupil numbers/trends are captured at an early stage. This would allow for adequate planning of school places. This discussion considers cross border pupil number flows, cross border development impact, change to school capacity and any other known local issues that may impact on cross border pupil numbers.

Percentage of Portsmouth resident pupils choosing an out of city secondary school

	2014	2015	2016	2017
Secondary	9.2%	7.6%	6.7%	9.6%

- 3.8 In recent years the economic climate has impacted on the forecasts - either reducing the proportion of pupils leaving the LA maintained sector for independent schools or resulting in a reduction in outward migration from the Local Authority area. A significant strengthening of the city's economy has had an effect on Portsmouth's population. As the city has become wealthier, the population has tended to move northward within the city or to migrate to neighbouring areas such as South East Hampshire.
- 3.9 The percentage of pupils attending a Portsmouth school that live out of area is stable at 1.2% for primary, and within the range of 1.7% - 2.1% for secondary pupils.

Current numbers and capacity

3.10 The following table is a summary of the year 7 pupil number forecasts based on the forecasting methodology as described in **Appendix A**. This demonstrates the growing need for additional secondary school places in the city.

Year 7 pupil forecast

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Year 7	1839	1964	2065	2068	2150	2134	2189

3.11 A full summary of pupil numbers in all year groups is shown in **Appendix C**.

3.12 To meet the demand for secondary school places in 2017/18, and in response to the opening of the UTC, some schools have revised their published admission numbers (PAN). The changes are reflected in table below.

Year 7 Admission number and future available capacity

School	Original PAN	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Admiral Lord Nelson	200	220	200	200	200	200	200	200
Charter	120	180	180	180	120	120	120	120
King Richard	216	200	200	200	200	200	200	200
Mayfield	200	200	200	200	200	200	200	200
Miltoncross	200	200	200	200	200	200	200	200
Portsmouth Academy	190	200	225	225	190	190	190	190
Priory	250	260	250	250	250	250	250	250
St Edmunds	189	208	208	208	208	208	208	208
Springfield	227	240	240	240	240	240	240	240
Trafalgar	197	200	200	200	200	200	200	200
Total Capacity	1989	2108	2103	2103	2008	2008	2008	2008
Forecast number		1839	1964	2065	2068	2150	2134	2189
Surplus/Deficit		269	139	38	-60	-142	-126	-181

3.13 Some schools have made temporary changes to support current secondary place pressures, but these are not sustainable in the future without further investment and capital works (see **Section 6**). Feasibility studies to address future secondary school pressures have been undertaken (see **Sections 4 & 5**)

3.14 Although primary pupil numbers are showing signs of stabilising, they are yet to fall and it is therefore likely that secondary numbers will remain high for future years. This will be reviewed on an annual basis, in line with the annual return to the DfE.

4. Portsmouth Secondary Schools Capacity review

- 4.1 The Council commissioned an independent study into secondary school capacity and to review the options to expand the number of secondary school places.
- 4.2 The Re:Format report concluded:
- The pupil forecasts show a deficit in the number of Year 7 places from 2018/19 onwards.
 - The schools in the city generally have sufficient core space to be able to add additional classrooms.
 - Provided that the expansion is spread across several schools, there would not be a problem with the location of the pupil places, due to the compact size of Portsmouth.
 - The potential solutions to create the additional school places offer good value for money and a better spread of provision across the city compared to a new school that would cost in the region of £23.4m plus the cost of the site.
- 4.3 As a result of the Re:Format report, it was confirmed that a new secondary school was not required. A summary table of their findings is overleaf. Therefore, the focus is to identify schemes to expand existing secondary schools and academies to create the additional places that will be needed.
- 4.4 Detailed discussions have taken place with all of the secondary schools to identify both short and long term expansion opportunities to meet the demand for places. A summary of these schemes and progress to date is shown in the table overleaf.
- 4.5 In February 2016, the Council allocated £1.5m for phase 1 of the secondary sufficiency programme (short term projects) and £1.8m for phase 2 (longer term schemes). The short term options have either been completed or are in progress. Therefore, the long term options are now being explored.
- 4.6 The Council recognised that further funding would be required and confirmed that future capital schemes to deliver secondary places 2018/19 - 2020/21 would be one of its priorities.
- 4.7 There is also consideration of the impact of the University Technology College (UTC) which opens in September 2017, as this may draw some Year 10 pupils out of secondary schools. Therefore, some schools are considering having a lower PAN for Years 10 and 11, whilst recognising that, if pupils did not transfer to the UTC, they would remain at the school.

4.8 Discussions will continue with secondary schools and Multi-Academy Trusts to identify further expansion opportunities for the future should they be required.

Summary of short term projects and longer term expansion schemes

Secondary School	Short term projects 1-3 years 2016/17 - 2018/19	Long term schemes 3-6 years 2019/20 - 2021/22
Admiral Lord Nelson Academy	No short term option was identified.	Feasibility study underway to increase the size of the school to a PAN of 250. Due to the impact of the UTC, the school has increased the PAN at Years 7, 8 and 9 by 20 and decreased by 20 in upper year groups for 2017/18 only. The school is considering the impact of the UTC on its PAN for future years.
Trafalgar Academy	Increase of PAN from 197 to 200. No works required. <i>Completed.</i>	Minor works project identified to increase PAN from 200 to 220 at Years 7, 8 and 9 to 220, whilst maintaining the PAN in upper year groups at 200.
Mayfield School	No short term option was identified.	No long term option was specifically identified, due to the EFSA building scheme. However, the potential to fund additional secondary places to be delivered within the EFSA scheme could be explored.
Miltoncross Academy	Increase PAN from 200 to 210. Internal modifications to convert learning rooms to classrooms; acoustic improvements to dining area and covered external area / satellite servery. <i>In progress</i>	Detailed design and costing is currently underway with the PFI contractor. It has been agreed to initially increase the PAN by initially 10 and at a later date add a further 10 places, as and when the numbers rise at the school and the increase is deemed sustainable.
Priory Academy	No short term option was identified.	No long term option was identified.

Springfield School	Increase PAN from 227 to 240 - conversion of swimming pool to gym and update changing rooms; internal alterations to improve circulation. <i>Works in progress</i>	Two further options had been identified increasing the PAN from 240 to 280 and 300 - new blocks of classrooms + WCs and storage. Estimated costs of £1.59m and £3.65m. Further discussion required with school if any of these options are to be developed further.
St Edmunds Catholic School	Increase in PAN from 189 to 208 - classroom extension to replace temporary units and address sufficiency, condition and suitability issues. <i>Completed.</i>	No long term option was identified.
Portsmouth Academy for Girls	Increase in PAN to 225 (3 years) or 250 (2 years) - improve circulation and create additional two classrooms through internal alterations; convert offices to changing rooms and WCs. <i>Completed.</i>	Feasibility study underway to increase the size of the school to increase the PAN to 250 through classroom block and conversion of existing accommodation.
Charter Academy	Although no short term options were originally identified, the closure of the 6 th form this has enabled the school to increase the PAN by 60 for a period of 3 years. <i>Completed.</i>	The school have recently closed their 6th form and discussions have taken place to review expansion opportunities that this will present. The school have increased their PAN from Sept 2017 from 120 to 180, however, without further building work this would only be sustainable for a period of 2 - 3 years. Feasibility study underway to sustain an increased PAN of 180.
King Richard School	No short term option was identified.	No long term option was identified.

5. Addressing the sufficiency of secondary places

5.1 Based on the deficit of Year 7 secondary school places as identified in section 3.10 above, the following conclusions can be drawn:

- By 2020/21, there will be a shortfall of 40 secondary school places, and therefore, action is required to ensure that additional places are available by September 2020.
- The shortfall increases in future years, and is estimated at 181 places by 2023/24.
- It is likely that the demand for secondary school places will continue after 2023/24, but this cannot yet be reliably estimated. Future pressures will be reviewed on an annual basis, in line with the annual return to the DfE
- Feasibility studies have been undertaken to identify secondary school expansion schemes which could addressing the deficit of places which has been identified.
- There is a lead-in time for expansion schemes due to the time required for capital building works.

5.2 The table identifies the planning areas with the most pressure on secondary places due to the number of resident secondary age pupils living in the planning area and the planning area where they attend school. There can be many factors that influence which secondary school a pupil attends.

Year 6 registered pupils (as at January census 2017) on roll at Portsmouth mainstream schools, by planning area in which they live.

Planning Area where pupils <u>live</u>	Year 6 Pupils	Year 7 capacity
Admiral Lord Nelson	174	200
Charter (includes St Edmunds)	372	388
King Richard	228	200
Mayfield (includes Trafalgar and Portsmouth Academy)	519	600
Miltoncross	190	200
Priory	268	250
Springfield	230	240

- 5.3 There is not always the physical space and capacity to expand the most popular schools.
- 5.4 The summary table in **Section 4** highlighted the potential for long-term expansion schemes in 7 Portsmouth secondary schools. Discussions with Springfield School and Miltoncross School resulted in a shared agreement to review the potential there in future years. Discussions with the EFSA regarding their capital build scheme and the potential for expansion are ongoing.
- 5.5 The following table identifies options for the remaining four schools, which would increase capacity across the city and to address the deficit of places that is required for September 2020 onwards. It is likely that all of these options would be required during the next 7-year period if the Council is to address the growing shortfall in school places.

	Admiral Lord Nelson	Charter Academy	Portsmouth Academy	Trafalgar
Current capacity	1000	600	950	1000
Type of works	Expansion of school accommodation	Expansion of school accommodation	Expansion of school accommodation	Minor works
Number of places per year group	50	60	60	20 (Y7, Y8, Y9)
Total number of additional places	250	300	300	60
Revised capacity	1250	900	1250	1060

- 5.6 More detail about these options is found in **Section 6**.
- 5.7 The table overleaf shows how the addition of places for these four schemes could be profiled, and also shows that impact on the deficit of places.
- 5.8 In the past, Portsmouth has had a significant level of surplus school places across the City, particularly with respect to secondary school places. However, over the past five years, the picture has changed due to the considerable increase in the numbers of children entering the education system.
- 5.9 Due to the rise in pupil numbers nationally, the Government is now using an assumption of 2% surplus for both primary and secondary as the basis for basic need allocations to Local Authorities. In light of this and the acute pressures facing Portsmouth, the Council uses a minimum level of surplus of 2% for planning purposes.

5.10 It should be noted that, even with these four schemes, the surplus would be 1.31% by 2023/2024, and therefore, the schemes represent the minimum intervention that is required to meet the Council's statutory duty.

5.11 This is an example of how the expansions could be profiled if all works were fully funded and able to proceed without delay. The order of the phasing and timing of the expansion works will be subject to further discussion.

	Estimate 2017/18	Estimate 2018/19	Estimate 2019/20	Estimate 2020/21	Estimate 2021/22	Estimate 2022/23	Estimate 2023/24
Year 7							
Number on Roll (Actual and Forecast)	1839	1964	2065	2068	2150	2134	2189
Capacity (Admission Limit including proposed changes)	2108	2103	2103	2008	2008	2008	2008
Surplus / (Deficit)	269	139	38	(60)	(142)	(126)	(181)
<u>Additional Places</u>							
ALNS +50				50	50	50	50
Charter +60				60	60	60	60
Portsmouth Academy Phase 2 +60				60	60	60	60
Trafalgar +20					20	20	20
Milton Cross + 20 *see 5.12							20
Revised Capacity	2108	2103	2103	2178	2198	2198	2218
Revised Surplus / (Deficit)	269	139	38	110	48	64	29
Revised Surplus / (Deficit) as a %	12.76%	6.61%	1.31%	5.05%	2.18%	2.91%	1.31%

5.12 As noted in the table in **Section 4**, there is also the possibility for minor works at Miltoncross which would provide an additional 20 places over time. These could be added in 2023/24.

5.13 Further feasibility studies are planned in relation to Springfield school and Mayfield school, in case the demand for secondary school places continues. The council is also willing to explore other opportunities to create secondary school places in the city.

6. Secondary Expansion Schemes

Admiral Lord Nelson School

- 6.1 A feasibility study has been undertaken, working in partnership with the School and the Salterns Academy Trust, to assess how the school could be expanded to take an additional 50 students per year group (an increase of 250 students, and a revised total capacity of 1250 students).
- 6.2 The feasibility study has identified a range of essential works within the scheme including:
- A single storey new block of accommodation providing additional general classrooms - i.e. for English.
 - Internal adaptations within the existing accommodation to re-suite subject areas

Charter Academy

- 6.3 A feasibility study has been undertaken, working in partnership with the Academy and the Ark Academy Trust, to assess how the school could be expanded to take an additional 60 students per year group (an increase of 300 students, and a revised total capacity of 900 students).
- 6.4 The Academy has undertaken Interim works to increase capacity for Year 7 intake to 180 for 2017/18, 2018/19 and 2019/20. This increase is only sustainable for 3 year groups. Therefore, if no further work was done at the school, the larger years groups would flow through the school as bulge years, and the PAN would reduce to 120 in 2020/21.
- 6.5 The feasibility study has identified a range of essential works within the scheme including:
- A two-storey new block of accommodation for the school's food tech, resistant materials, art and ICT, plus additional dining capacity and general classrooms.
 - Internal adaptations to increase kitchen, dining and hall flow/capacity.
 - Re-provisioning of outdoor areas

The Portsmouth Academy

- 6.6 The Portsmouth Academy is currently taking an additional 10 pupils per year group in excess of their stated capacity on an ex gratia basis (i.e. 1000 students against a capacity of 950 students).
- 6.7 Interim works have been undertaken to increase capacity for Year 7 intake to 225 for 2018/19 and 2019/20. This increase is only sustainable for 2 year groups. Therefore, if no further work was done at the school, the two larger years groups would flow through the school as bulge years, and the PAN would reduce to 190 in 2020/21.
- 6.8 A feasibility study has been undertaken, working in partnership with the Academy and the Thinking Schools Academy Trust, to assess how the school could be expanded to take an additional 50 students per year group (on top of the current additional 10 students per year group, making the capacity of the school 1250 students).
- 6.9 The feasibility study has identified a range of essential works within the scheme including:
- A three-storey new block of accommodation for the school's music, art and humanities departments
 - Internal adaptations within the existing accommodation to create a student support area, a food tech room, a graphics classroom, a resistant materials room, two science labs and a PE classroom.
 - Internal adaptations to increase dining capacity.
 - Re-provisioning of outdoor areas

Trafalgar School

- 6.10 Trafalgar School has successfully bid for government funding to develop the accommodation on the school site. The school has an Inclusion Centre for students with autism and is committed to offering an inclusive curriculum. As part of the re-development, the council would fund works to increase access for students with special educational needs and disabilities. Therefore, by providing the funding for the minor works, the Council can benefit from 60 additional places (20 places in Year 7, Year 8 and Year 9).

Capital Funding

- 6.11 The feasibility studies have been costed to provide detailed estimates of the costs of the schemes. The estimated total cost of the 4 schemes is c. £14.7m.
- 6.12 For 2019/20, the Council has been awarded £2.96m for secondary school places. It is hoped that future government funding allocations, known as basic need funding, will be forthcoming to support the delivery of the four schemes. There is an annual basic need funding announcement and funding is allocated based on the annual returns of pupil numbers which Councils make to the DfE in July each year.

7. Conclusions and Recommendations

- 7.1 The Council continues to have the statutory duty to provide sufficient school places for resident children and is committed to working with schools, academies and Multi-Academy Trust for the benefit of children and young people in Portsmouth.
- 7.2 Detailed analysis and forecasting confirms that the Council will not be able to meet its statutory duty by September 2020, as the number of students requiring secondary school places will exceed available capacity.
- 7.3 Four capital building schemes have been identified which could address the projected deficit in secondary school places.
- 7.4 Remedial action is required to ensure that additional secondary school places are available by September 2020. It should be noted that there is a long lead-in time for expansion schemes due to the time required for capital building works
- 7.5 The shortfall increases in future years, and is estimated at 181 places by 2023/24. It is likely that the demand for secondary school places will continue after 2023/24, but this cannot be reliably estimated at this time. Future pressures will be reviewed on an annual basis, in line with the annual return to the DfE.
- 7.6 It is recommended that the following four schemes are scheduled for implementation. The schemes have been presented in alphabetical order.
- Admiral Lord Nelson School - increase capacity by 250 places
 - Charter Academy - increase capacity by 300 places
 - Portsmouth Academy - increase capacity by 300 places
 - Trafalgar - increase capacity by 60 places (Y7, Y8, Y9 only)
- 7.7 The order of the phasing and timing of the expansion works will be subject to further discussion. However, an example of how the places could be made available is outlined in the table in **Section 5**. This means that the schemes would be phased in over the period covered by this Strategy, subject to funding being made available.
- 7.8 In order to proceed, capital funding sources will need to be identified. The Education Service will continue to explore all sources of funding in order to progress these recommendations within the Strategy.
- 7.9 The Strategy will be reviewed in August 2018, alongside the 2018 return to the DfE and the 2018 refreshed pupil forecasts.

8. Appendices

- Appendix A - Forecasting Methodology
- Appendix B - Map
- Appendix C - Pupil Forecasts Summary

Agenda Item 4



Portsmouth
CITY COUNCIL

Decision maker	Cabinet Member for Education
Subject:	Quarter 3 update on the School Modernisation Programme 2017/18 including urgent condition projects and secondary school sufficiency projects
Date of meeting:	15 February 2018
Report from:	Alison Jeffery Director of Children, Families and Education
Report by:	Caroline Corcoran Head of Sufficiency, Participation and Resources - Education Service
Wards affected:	All Wards
Key decision (over £250k):	No

1. Purpose of report

- 1.1 The purpose of this report is to provide a Quarter 3 update on the progress of:
- urgent school condition projects
 - secondary school sufficiency schemes aimed at increasing secondary school place capacity within the city.
- 1.2 The quarterly budget monitoring report (also on this agenda) contains information in relation the financial position of the education capital programme.

2. Recommendations

- 2.1 It is recommended that the Cabinet Member notes the progress on the school modernisation "urgent condition" projects and the secondary school sufficiency projects (as set out in the report and in Appendix A).**

3. School modernisation (urgent condition) projects

- 3.1 The urgent condition projects have been identified through Asset Management Plan meetings, condition surveys and recommendations by Education officers concerning the needs of specific pupils.
- 3.2 There were 10 urgent condition projects in the 2017-18 programme at the start of the financial year, plus a contingency allowance for urgent emerging works.

- 3.3 There are 11 "live" condition projects currently in the 2017-18 programme (as reported at the December 2017 Cabinet Member meeting).
- 3.4 Risks to the progress of the individual projects, as detailed in [Appendix A](#), have been updated.
- 3.5 No new works have been commissioned since the last report.
- 3.6 Seven urgent condition projects have been completed since the last report (Langstone Junior, Portsdown Primary, Stamshaw Infant, Wimborne Junior, St Jude's Primary school, Mayfield school and Willows Nursery). Therefore, 4 "live" projects remain.
- 3.6 No new risks which have emerged since the last report.

4. Secondary sufficiency schemes (phase 2)

- 4.1 Feasibility studies have been undertaken to explore the potential for expansion at The Portsmouth Academy, Admiral Lord Nelson School and Charter Academy. Information on the progress of the feasibility works is included in [Appendix A](#). The feasibility reports for the 3 sites are complete. The outcome of the feasibility studies was discussed at the Secondary Heads Forum on 21 September 2017 and was well received.
- 4.2 The Secondary School Place Strategy 2017-2023 has been developed and outlines the immediate and medium-term pressures on secondary school places. The Strategy and the feasibility studies have informed the recommendations to address future sufficiency issues.
- 4.3 An over-arching risk to the secondary sufficiency programme is the identification of sufficient funding over time to support the individual schemes, and thereby ensure that the council can meet its statutory responsibility to provide sufficient school places.
- 4.4 The government has announced a capital funding allocation for 2019-20, for secondary school places, of £2.96 million. This allocation is non-ring fenced and will form part of the Council's single capital pot. Decisions on how this funding will be allocated to capital schemes will be made through the Council's annual capital budget process.
- 4.5 Financial modelling based on the government's formula and the annual SCAP return indicates that government allocations for future years will support the delivery of the secondary sufficiency schemes. The allocations for future years have not been announced.
- 4.6 The progress of individual schemes, as detailed in [Appendix A](#), has been updated. There are no new risks which have emerged since the last report.

5. Equality Impact Assessment (EIA)

- 5.1 An equality impact assessment is not required for the overall programme as it is not possible to assess the protected characteristics reasonably, as described in the Equality Act 2010, across such a diverse range of capital works.
- 5.2 The implementation of the school modernisation programme (urgent condition) and the secondary sufficiency programme (phase 2) will not have a negative impact on any of the equality groups. The programme will improve access to schools for all equality groups, particularly with regard to those pupils who have learning difficulties and / or a disability.
- 5.3 Each individual capital project/scheme includes an equalities impact assessment.

6. Legal implications

- 6.1 The works proposed are within the Council's powers to approve the recommendations as set out above on the basis of the following:
- the Council is required to provide school premises in respect of foundation or voluntary controlled schools under the School Standards and Framework Act 1998, Schedule 3
 - the Council has an obligation to ensure that school premises are maintained to a prescribed standard in accordance with section 542 of the Education Act 1996 and the School Premises (England) Regulations 2012, made under that section.
- 6.2 The Local Authority has a statutory duty to provide sufficient schools for primary and secondary education in its area in accordance with section 14 of the Education Act 1996. The schools must be sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education. Local Authorities must also promote diversity and parental preference
- 6.3 The procurement process for the contracts for the works will need to be undertaken in accordance with the City Council's Contract Procedure Rules, at Part 3A of the constitution.
- 6.4 Under Part 2, Section 3, of the City Council's constitution the Cabinet Member for Education has the authority to approve the recommendations set out in this report.

7. Finance comments

- 7.1 Financial monitoring of the capital programme is reported within the quarterly budget monitoring reports. The Quarter 3 monitoring report can be found on separately on this agenda.
- 7.2 For condition projects, schools will be expected to use their Devolved Formula Capital (DFC) allocations to support these key priorities, in keeping with government expectations for the use of this funding. The expected contributions from schools' will be based on the agreed contribution methodology.
- 7.3 Any ongoing revenue implications will be met by individual schools through their individual budgets which are funded from the Dedicated Schools Grant (DSG).

Signed by:
Alison Jeffery, Director of Children, Families and Education

Appendix A: School Modernisation Programme 2017/18 - Progress Dashboard

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

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
Asset Management Plan files	Housing Property Services
Condition Survey Reports	Housing Property Services – Concerto database

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:

SCHOOLS MODERNISATION PROGRAMME 2017/18 - PROGRESS DASHBOARD

SCHOOL MODERNISATION - URGENT CONDITION PROJECTS

School	Description of works	Stage 1: Feasibility	Stage 2: Design	Stage 3: Tender	Stage 4: Works commenced on site	Stage 5: Works due to be completed	Stage 5: Work complete	RAG rating Last Quarter	RAG rating This Quarter	Project variance (Comments about progress and any emerging risks to timescales or budget)
Craneswater Junior	Stonework replacement, gutter replacement and brickwork repairs to lower school			Sep-17	Nov-17 (main contract)	Aug-18		G	G	To be undertaken as part of the school expansion project, currently on site
Langstone Junior	Replace rooflights, install cavity tray & internal redecoration				Jul-17	Sep-17	Sep-17			Practical completion 5 Sept 2017 and final account agreed
Mayfield Secondary	Remediation works for East Field				Spring 17	Spring 18				Completed. No further remediation works due to PSBP project.
Northern Parade	Upgrade incoming electrical supply & distribution boards			Apr-18		Summer 18		G	A	Works delayed as they are subject to completion of electrical contracts and other testing on site
Portsdown Primary	Roof, rooflights & chimney repairs				Sep-17	Oct-17	Nov-17			Practical completion 3 November 2017 and final account agreed
Redwood Park	Replace hot & cold distribution		Sep-17	Mar-18		Summer 18		G	G	Level of asbestos removal required and the associated costs and timescales
Southsea Infants Lodge	Fire alarms, emergency lighting, door hold backs			Feb-18		Summer 18		G	G	Re-programmed to summer works at school's request
Starshaw Infants	Replace windows - s/west elevation & stone repairs				Jul-17	Aug-17	Sep-17			Practical completion 12 September 2017 and final account agreed
Wimborne Junior	Roof replacement & Phase 2 pointing				May-17	Oct-17	Oct-17			Practical completion 13 October 2017, final account has not yet been agreed to date
Willows Nursery	Access ramps for disabled pupils				Aug-17	Sep-17	Sep-17			Completed
St Jude's Primary school	Asbestos removal and external repairs				Aug-17	Oct-17	Oct-17			Practical completion October 2017 and final account agreed

SECONDARY SCHOOL SUFFICIENCY SCHEMES

SCHOOLS MODERNISATION PROGRAMME 2017/18 - PROGRESS DASHBOARD

School	Description of works	Feasibility (RIBA Stage 1-2)	Developed Design (RIBA Stage 3)	Technical Design (RIBA Stage 4)	Works commence on site (RIBA Stage 5)	Works due to be completed (RIBA Stage 6)	Work complete (RIBA Stage 6)	RAG rating Last Month	RAG rating This Month	Project variance (Comments about progress and any emerging risks to timescales or budget)
Admiral Lord Nelson	Feasibility for future expansion of the school (+50 places per year group).	Feasibility design complete, costed and requirements agreed.						G	G	Await outcome of capital bid
Charter Academy	Feasibility for future expansion of the school from Published Admission Number of 120 to 180 (+60 places per year group).	Feasibility design complete, costed and requirements agreed.						G	G	Await outcome of capital bid
Portsmouth Academy	Feasibility for future expansion of the school from Published Admission Number of 192 to 250 (+58 places per year group).	Feasibility design complete, costed and requirements agreed.	In progress - almost complete					G	G	



Decision maker:	Cabinet Member for Education
Subject:	Education Portfolio Budget Monitoring Report for the Third Quarter 2017/18
Date of decision:	15 February 2018
Report from:	Chris Ward, Director of Finance and Section 151 Officer
Report by:	Beverley Pennekett , 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 December 2017.

2. Summary

- 2.1.** The current forecast is for the total portfolio to underspend by £61,000 below the approved revenue cash limit. Expected pressures on school transport are currently more than offset by staffing savings from vacant posts, reduced usage of the short breaks service and additional income. The capital programme is currently identifying an underspend of £148,000 on the approved capital budget of £80.8m, with consideration being given to further priority condition allocations.

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 December 2017, together with the variance and pressure explanations.

4 Summary Position against Cash Limited Budget at the end of December 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 anticipated that the remaining £63,000 will be added to any underspend generated in 2017/18 and carried forward into 2018/19.
- 4.2 At the end of the second quarter an underspend of £61,000 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	-69	-76	-6
School Improvement	514	417	-97
Inclusion Support	4,125	4,219	95
Sufficiency, Participation & Support	961	907	-53
	5,530	5,468	61

The forecast variances to budget are explained further below.

- 4.3 **Senior Management** (£6,000 underspend): Staffing costs are currently anticipated to be £9,000 in excess of budget provision, as a result of market supplement and incremental payments however this is more than offset by lower than budgeted operating expenditure.
- 4.4 **School Improvement** (£97,000 underspend): Vacant posts provide savings of £21,000, whilst income is forecast at £76,000 above budget due to service take up exceeding budgeted expectations.
- 4.5 **Inclusion Support** (£95,000 overspend): home to school transport provides perennial budget pressures and the current forecast is for an overspend in the region of £282,000. A small number of very high cost pupils are contributing significantly to the overspend. Work is ongoing to identify potential areas for cost efficiencies and to improve financial forecasting arrangements. This pressure has been partially offset by increased income receipts in respect of Inclusion Support traded services and reduced usage of short break providers.
- 4.6 **Sufficiency, Participation and Support** (£53,000 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, additional grant funded schemes to deliver early year places, along with other in-year adjustments to scheme costs and funding.

- 5.2 The actual spend to the end of December 2017 is £59.8m, some £21m below approved funding for the schemes identified, which reflects the longer term nature of capital spending. However, at this stage, the forecast eventual spending levels suggest a possible overall underspend of £148,000 against total approved funding of £80.8m.
- 5.3 This primarily related to the need to maintain emergency and contingency funding in respect of school condition spend. 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 revenue budget is currently forecast to underspend slightly but within this there is a significant overspend in Transport provision. This has been 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 although some minor project spend variations will require 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.

.....
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 Bev Pennekett, Finance Manager, if required.

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

.....
Signed by: Cabinet Member



Education Capital Budgets

APPENDIX 1

No.	Scheme	Current Budget	Actual spend to Dec 17	Manager Forecast Spend	Forecast Variance	Explanation
		£	£	£	£	
1	Primary Capital Programme	15,922,000	15,767,900	15,929,700	7,700	A need for additional temporary classrooms and unexpected ground and remedial works at two projects offset by projects savings elsewhere
2	Victory School	10,197,900	10,197,900	10,197,900	0	
3	Sufficiency Programme Phase One 2013- 2015	6,549,800	6,241,500	6,549,800	0	
4	Sufficiency Programme Phase Two 2015- 2017	11,024,800	4,574,900	11,004,000	-20,800	Contingency funding as yet unallocated
5	Secondary School Feasibility Study	150,000	97,200	150,000	0	
6	Temporary Accommodation	333,100	358,000	358,000	24,900	temporary accommodation requirements at Langstone school
7	Vanguard Centre	3,270,600	950,100	3,270,600	0	
8	King Richard School Rebuild 900-1000 places	1,685,500	1,386,100	1,685,500	0	
9	Portsmouth College Sufficiency Post 16	246,000	245,900	245,900	-100	
10	Schools Devolved Formula Capital 2010-17	9,261,800	9,261,800	9,261,800	0	
11	Universal Infant Free School Meal Works	891,600	867,300	891,600	0	
12	Universal Infant Free School Meal Provision	628,700	593,100	628,700	0	
13	Salix	82,500	79,800	82,500	0	
14	St Edmunds SI Provision	507,300	507,300	507,300	0	
15	Access SEN Pupils	283,200	285,500	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	1,363,100	1,485,700	-21,500	minor savings on variety of schemes
19	School Condition Projects 2014-2016	2,845,000	2,689,100	2,789,900	-55,100	scheme savings and unallocated contingencies.
20	Portsdown Primary Emergency Lighting	39,600	39,600	39,600	0	
21	School Conditions Project 2016/17	995,400	850,800	1,046,100	50,700	increased costs of roofing works and emergency Health & Safety works
22	Secondary School Places Expansion Phase (1)	1,652,000	1,162,100	1,659,100	7,100	
23	Special Education Needs - Building Alterations	3,191,600	205,300	3,191,600	0	
24	Schools Devolved Formula Capital 2016-17	2,883,800	1,495,800	2,883,800	0	
25	Sufficiency of Secondary School Places	5,350,000	111,300	5,350,000	0	
26	Future secondary School Places	120,000	48,400	120,000	0	
27	School Condition 2017/18	1,143,500	445,600	999,300	-144,200	emergency and contingency funding uyet to be allocated, alternative priority project approvals being considered
TOTALS		80,805,900	59,867,300	80,658,200	-147,700	

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Decision maker:	Cabinet Member for Education
Subject:	Dedicated Schools Grant Budget Monitoring Report for the Third Quarter 2017/18
Date of decision:	15 February 2018
Report from:	Chris Ward, Director of Finance and IS
Report by:	Beverley Pennekett, Finance Manager
Wards affected:	All
Key decision:	No
Budget & policy framework decision:	No

1 Purpose of report

- 1.1 To inform the Cabinet Member for Education of the projected revenue expenditure within the Dedicated Schools Grant (DSG) for the current financial year 2017-18 as at the end of December 2017.
- 1.2 To provide an update on the 2018-19 predicted pressures following further information from the Department for Education (DfE) and Special Educational Needs and Disability team.

2 Background

- 2.1 The DSG is a ring-fenced grant for Education and can only be used for the purposes of the Schools Budget as defined in the School and Early Years Finance (England) Regulations.
- 2.2 The original DSG budget for the financial year 2017-18, was approved by the Cabinet Member for Children and Education and endorsed by Schools Forum in January 2017, with further changes approved and endorsed subsequently. This report provides the Cabinet Member for Education with a forecast estimate of the year-end outturn based on the position as at 31st December 2017.

3 Recommendations

It is recommended that the Cabinet Member:

- 3.1 Notes the forecast year-end budget position for the Dedicated Schools Grant as at the end 31st December 2017, together with the associated explanations contained within this report.
- 3.2 Notes the potential pressures for 2018-19 and impact on the brought forward balances.

4 Dedicated Schools Grant forecast position as at the end of December 2017

- 4.1 Table 1 below sets out the forecast year-end financial position of the DSG budget as at 31st December 2017.

Table 1

DEDICATED SCHOOLS GRANT	<i>Original Estimate 2017/18 £000's</i>	<i>Revised Estimate 2017/18 £000's</i>	<i>Projected Outturn £'000's</i>	<i>Projected over/ (under) spend £'000's</i>
DSG : Devolved				
Primary	43,475	35,391	35,391	0
Secondary	19,326	14,168	14,168	0
Special school place funding	1,558	1,558	1,561	3
Resource unit place funding	596	596	596	0
Alternative provision place funding	1,070	1,070	1,070	0
Total Delegated	66,025	52,783	52,786	3
DSG : Retained				
De-Delegated Budgets, Growth Fund and centrally retained	1,425	1,749	1,523	(226)
Early Years	13,304	13,029	13,044	15
High Needs	11,659	11,659	11,792	133
Total Expenditure	92,413	79,220	79,145	(75)
DSG and other Specific Grants	(92,413)	(79,088)	(78,937)	151
DSG Brought Forward	0	(3,213)	(3,213)	0
DSG Carried Forward	0	3,080	3,004	(76)
Total Income DSG	(92,413)	(79,221)	(79,146)	75
TOTAL Dedicated Schools Grant	(0)	0	0	0

The figures in the above table are subject to rounding to the nearest £1,000 and may not calculate exactly

Academy conversions

- 4.2 There have been two academy conversions (, Langstone Infants, Langstone Juniors) during the period 1st October to 31st December 2017. The revised budget includes the previously approved adjustments relating to these conversions. The budget share payments for the four schools with known conversion dates in quarter four have also been adjusted in quarter three; budget adjustments for the schools will be carried out as the schools convert during quarter four.

Special school place funding

- 4.3 The small forecast overspend is due to an additional short term (three month) placement at Cliffdale based on the period two class list. The forecast has reduced from the previous quarter where the additional place had been assumed to continue for the full financial year. However following the receipt of the autumn term class lists it has been confirmed that the additional place was not required, therefore the forecast has been revised down.

De-delegated, growth fund and centrally retained

- 4.4 The forecast underspend of £226,000 relates to the one off recoupment adjustments made to the DSG when schools convert to academy status; along with a small underspend in the cost of licences for schools negotiated centrally by the DfE. This was partially offset by the Growth fund overspend which remains at £33,000 as reported in the previous quarter and is expected to remain as such for this financial year.

Early Years

- 4.5 The current forecast includes a forecast overspend on two year olds of £235,600 which has been partially offset by the release of the contingency budget of £55,500. This has been offset by a forecast underspend relating to 3 and 4 year olds of £145,400.
- 4.6 The 3 and 4 year forecast is based on the summer and autumn term actual payments and spring term estimated payments, with expected growth for the spring term 2018 (based on historic data). It should be noted the spring term estimates are lower than in previous years, this may be due to the timing of pupils starting nursery. The final position may change following the payment of the adjustment for actual pupils at the end of the Spring term.
- 4.7 The 2 year old budget is forecast to overspend, due to an expected increase in numbers from the revised budget of 605 pupils to 685 by the end of the financial year. Should these pupils be attending the settings at the time of the January census, the authority should receive additional funding during 2018/19 to cover the growth.

High Needs

- 4.8 The high needs budgets are the most volatile area of the DSG and as such the most difficult to predict. The total high needs budget is currently forecast to overspend by £133,000, the reasons for which are explained below.

Element 3 Top-up funding

- 4.9 At the end of quarter three, the authority has been unable to finalise all payments to the special schools, resource and alternative provision units due to delays in receipt of some of the October 17 class lists. Therefore the forecast contains an estimate of the associated costs based on a combination of agreed class lists for October and budgeted costs for schools. The current forecast position may change following receipt of the outstanding information; the impact of these changes will be reported at year end.
- 4.10 In total the Element 3 budget is forecast to underspend by a net £9,671. This is due to several factors as detailed below.
- 4.11 Special School element 3 Top-up funding is forecast to underspend by £50,000. The underspend relates to number of different factors, including a reduction in the number of pupils placed by other local authorities at Portsmouth special schools during the autumn term, partially offset by an increase in the level of pupil need and associated funding plus an increase in the number of pupils placed by the local authority
- 4.12 The autumn term class lists for the Alternative Provision settings had not been received at the end of quarter 3, therefore the forecast position remains at an underspend of £3,600 which may change when reporting the final outturn position.
- 4.13 The Inclusion units are forecast to overspend by £8,900, due to an increase in the number of pupils attending the units over the summer and autumn terms.
- 4.14 Due to a number of new placements in the autumn term of Portsmouth pupils in other local authority special schools the budget is currently expected to overspend by approximately £35,000. However there are a number of creditors who have yet to present invoices for 2016-17 financial year, should these not be received then the final position may reduce.

Other High Needs Funding

- 4.15 In November 2017 a review of the permanent exclusion budget within local authority budget identified that funding received from schools to support pupils who had transferred to either special school or alternative provision settings had not been transferred back to the DSG to offset the Element 3 funding paid to the setting who admitted the pupil. This identified a one-off transfer of £196,000 which has helped to offset the forecast overspend. Processes have been updated to ensure that this budget is reviewed annually and any funding relating to the placement of permanent exclusions in special school and AP settings is transferred to the DSG.

- 4.16 The forecast includes the final balance for one special school on conversion to Academy status, repayment of the pupil premium grant and invoices received after conversion but relating to the school during its maintained status.
- 4.17 The Post 16 funding is forecast to underspend by £85,200. Payments have been made for all invoices received to date, three outstanding invoices which were received for the 17/18 academic year and the November cohort. A new order for £5,000 has been placed which has slightly reduced the forecast from the previous month.

Pupils with SEND in mainstream schools

- 4.18 The third quarter of 2017-18 has seen an increase in the top up funding paid to mainstream schools to support children with high needs where the cost of additional support exceeds the first £6,000 which is met by the school. As at the 31st December 2017 the forecast is showing a predicted overspend of £270,000. The projected overspend is based on the current pupil information (as at the 31 December) of 367 pupils compared to 306 in December 2016/17; together with a projection for anticipated growth for the remainder of the year based on the 2016-17 growth for the same period. This forecast will continue to be reviewed throughout the year as actual pupil details become available.

Out of City Placements

- 4.19 The actual expenditure for children in out of city placements is forecast to overspend the current budget by £116,600 in 2017-18. The increase in forecast is due to additional placements between October and December 2017.
- 4.20 There are currently 46 children in out of city placements, 7 of whom have been placed by the Child and Adolescent Mental Health Service (CAMHS). The numbers of children are consistent with the 2016-17 financial year however the average cost of a placement has increased over the last quarter from £44,500 in quarter 2 to £48,400 as at the end of December 2017. The increase in the average cost is due to an increase in the number of children taking up placements and the higher financial value of the placements.

5 Dedicated Schools Grant adjustments

- 5.1 As reported in quarter 2 the reduction in the DSG grant allocations (£151,000) relates to an early years block prior year adjustment.

6 2018-19 Dedicated Schools Grant predicted pressures

- 6.1 In January 2018 the Cabinet Member approved the DSG budget for 2018-19, which was subsequently endorsed by Schools Forum. Since the January meeting a number of further pressures have been identified against the high needs budget, these include:
- A request to increase the number of places at a Portsmouth special school from September 2018.



- A forecast further increase in the number and cost of pupils with Education Health and Care Plans (EHCP) based in mainstream schools for 2018-19.
- Confirmation by the DfE that they have not accepted our request to reduce the number of high needs places based at a post 16 independent setting in the City, which will result in a higher than expected recoupment cost.

6.2 The total of the above pressure will equate to a further £444,000 pressure on the 2018-19 budget which will need to be funded from the 2017-18 carry forward. The table below set out the impact of the 2017-18 expected carry forward of £3.1m.

	£m
Estimated brought forward from 2017-18	3.100
Items previously notified	
Schools specific contingency (earmarked reserve)	(0.132)
High needs block pressures	(0.413)
The Harbour School	(1.000)
Previously notified estimated DSG reserves	1.555
Additional special school places	(0.123)
Increased EHCP costs and pupils at mainstream schools	(0.218)
Post-16 recoupment of high needs places	(0.102)
Estimated DSG reserves	1.112

6.3 As set out in the January 2018 report "School funding arrangements 2018-19" the Education Department is considering a number of actions in conjunction with the outcomes of the SEND strategic review to ensure that high needs expenditure is brought back in line with the funding by 2019-20.

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 if required.

8 Legal comments

8.1 There are no legal implications arising directly from the recommendations contained within this report.

9 Finance comments

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

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Chris Ward, Director of Finance & IS

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

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

Title of document	Location
DSG Budget Monitoring	Education Finance Team
School & Early Years Finance (England) Regulations	www.legislation.gov.uk

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by on

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Signed by:

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