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# NOTICE OF MEETING

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## **CABINET MEMBER FOR EDUCATION**

**THURSDAY, 14 FEBRUARY 2019 AT 11.30 AM**

**THE EXECUTIVE MEETING ROOM - THIRD FLOOR, THE GUILDHALL**

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

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## **Membership**

Councillor Suzy Horton (Cabinet Member)

Councillor Tom Coles

Councillor Hannah Hockaday

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

## **AGENDA**

- 1 Apologies for Absence**
- 2 Declarations of Members Interests**
- 3 Dedicated Schools Grant 2018-19 quarter three budget monitoring**  
(Pages 5 - 12)

### Purpose

To inform the Cabinet Member of the projected revenue expenditure within the Dedicated Schools Grant (DSG) for the current financial year 2018-19 as at the end of December 2018.

## **RECOMMENDATIONS**

**That the Cabinet Member notes the projected year-end budget position for the Dedicated Schools Grant as at 31 December 2018, together with the associated explanations contained within the report.**

**4 Education Portfolio Budget Monitoring Report for the Third Quarter 2018/19 (Pages 13 - 18)**

Purpose

To inform the Cabinet Member of the projected financial position for the portfolio revenue cash limit and capital programme for the current financial year 2018-19. This report sets out the budget position and contributing factors to the projected spend within the portfolio as at the end of December 2018.

**RECOMMENDATIONS**

**That the Cabinet Member notes the Education Portfolio forecast revenue and capital budget positions, as at the end of December 2018, together with the variance and pressure explanations.**

**5 School Funding Arrangements 2019-20 (Pages 19 - 24)**

Purpose

To seek approval for the Element 3 top-up rates for Special Schools, Inclusion Centres and Alternative Provision (AP) settings.

**RECOMMENDATIONS**

**That the Cabinet Member:**

- 1 Approves the 2019-20 Element 3 Top-up rates for Special Schools, Inclusion Centres and Alternative Provision settings as set out in Appendix 1.**
- 2 Reverses the decision made on 9 October 2018 to implement the proposed changes to the high needs funding namely:**
  - a. The introduction of a banding system for element 3 top-up funding for children with EHCPs in mainstream schools.**
  - b. The introduction of a banding system for element 3 top-up funding for children with EHCPs in inclusion centres.**
  - c. Reduce special school rates by 1%**
  - d. To recommission the Outreach contract from September 2019 to achieve a cost reduction of 10%**
  - e. To make efficiencies in the Portage Plus team in order to release £10,000 of funding.**

**6 School Modernisation Programme for the 3rd Quarter 2018 - 19 (Pages 25 - 30)**

Purpose

To provide an update on the progress of:

- Urgent school condition projects
- Secondary school sufficiency schemes aimed at increasing secondary school place capacity within the city
- Special school sufficiency schemes aimed at ensuring that schools can take children with more complex SEND.

The quarterly budget monitoring report contains information in relation to the financial position of the education capital programme.

**Recommendations**

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

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**Title of meeting:** Cabinet Member for Education

**Date of meeting:** 14 February 2019

**Subject:** Dedicated Schools Grant 2018-19 quarter three budget monitoring

**Report by:** Chris Ward, Director of Finance and Information Services and Section 151 Officer

**Wards affected:** All

**Key decision:** No

**Full Council decision:** No

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**1. Purpose of report**

- 1.1. The purpose of this report is to inform the Cabinet Member for Education of the projected revenue expenditure within the Dedicated Schools Grant (DSG) for the current financial year 2018-19 as at the end of December 2018.

**2. Recommendations**

It is recommended that the Cabinet Member:

- 2.1. Notes the projected year-end budget position for the Dedicated Schools Grant as at 31 December 2018, together with the associated explanations contained within this report.

**3. Background**

- 3.1. 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.
- 3.2. The original DSG budget for the financial year 2018-19, was approved by the Cabinet Member for Education and endorsed by Schools Forum in January 2018. Further budget adjustments were agreed by the Cabinet Member and endorsed by Schools Forum in July and November 2018. This report provides the Cabinet Member with the latest estimate of the outturn position as at 31 December 2018.
- 3.3. Table 1 below sets out the projected year-end financial position of the DSG budget as at 31 December 2018.



Table 1 - Dedicated Schools Grant				
	Original budget 2018-19 £000's	Revised Budget 2018-19 £000's	Projected outturn 2018-19 £000's	Projected over / ( <b>under</b> ) spend £000's
<b>Income</b>				
DSG Brought forward 2017-18	(413)	(4,687)	(4,687)	0
DSG and other specific grants	<u>(79,592)</u>	<u>(70,387)</u>	<u>(70,753)</u>	<u>(366)</u>
<b>Total Income</b>	<b>(80,005)</b>	<b>(75,074)</b>	<b>(75,439)</b>	<b>(366)</b>
<b>Expenditure</b>				
Primary ISB	34,230	28,559	28,559	0
Secondary ISB	14,742	11,305	11,305	0
Special school place funding	1,556	1,556	1,621	65
Inclusion Centre Place funding	346	301	301	0
Alternative provision place funding	<u>1,082</u>	<u>1,082</u>	<u>1,082</u>	<u>0</u>
<b>Total Delegated</b>	<b>51,956</b>	<b>42,802</b>	<b>42,868</b>	<b>65</b>
De-delegated and central budgets	1,385	1,538	1,539	1
Early Years	14,204	14,131	14,162	30
High Needs	12,460	14,331	14,442	111
<b>Total Expenditure</b>	<b>80,005</b>	<b>72,803</b>	<b>73,010</b>	<b>207</b>
<b>DSG Carried forward</b>	<b>0</b>	<b>2,271</b>	<b>2,429</b>	<b>159</b>

#### 4. Grant funding

- 4.1. On 16 December 2018, the Secretary of State for Education announced additional funding of £250 million to support the provision of Special Educational Needs and Disabilities (SEND) in schools. Portsmouth's share of that allocation amounted to £464,668 in 2018-19 and again in 2019-20. The additional allocation in 2018-19 is shown as an increase in income in the table above, which is offsetting the previously forecast overspend in the high needs block.
- 4.2. There have been no academy conversions in the third quarter, although one further academy conversion is expected in the 2018-19 financial year. Any resulting DSG adjustments will be reflected in the year-end report.

#### 5. Special School places

- 5.1. Special school places are expected to overspend by £65,400. This reflects 7 additional places at Willows Centre for Children for pupils who started school in September 2018 as previously reported, plus an additional 3.5 places at Mary Rose Academy for new pupils. It has been assumed that the additional places will be paid until the end of March 2019. Once the final class lists for the financial year have been confirmed the forecast may be adjusted.

## 6. Early Years Block

- 6.1. Overall, the Early Years Block is projected to overspend by £30,200. A projected overspend of £194,300 for nursery provision has been reduced by expected underspends on central recharges and the disability access fund.
- 6.2. Table 2 below provides a breakdown of the funding provided direct to settings for two three and four year olds.

<b>Table 2 Early Years: two, three and four year old budget forecast</b>			
	<b>Total 2018-19</b>		
	<b>Budget 2018-19</b>	<b>Forecast</b>	<b>Variance (Under) / Over</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Two year olds	1,939,800	2,131,300	191,500
Two year old contingency growth fund	50,100	0	(50,100)
Three & four year olds universal hrs	8,008,500	7,968,100	(40,400)
Three and four year olds additional hours	2,862,300	2,948,900	86,600
Three & four year old contingency growth fund	329,500	283,300	(46,200)
Three & four year olds Pupil Premium	99,500	152,400	52,900
<b>Total</b>	<b>13,289,700</b>	<b>13,484,000</b>	<b>194,300</b>

- 6.3. The third quarter's accounts contain the final summer and autumn term payments to early years' providers of two, three and four year-olds and the estimated payments for the spring term. The projected outturn is based on the payments to the end of the third quarter (including spring term initial payments) along with an estimate for growth between January and March.
- 6.4. Where the two, three and four year olds' budgets have overspent, the growth contingencies have been released to offset the overspend. In the case of two year olds this provides a net overspend of £141,400, whilst three and four year olds have balanced back to budget.
- 6.5. The numbers of pupils receiving early years pupil premium are also expected to be higher than budgeted (approximately 85 additional pupils) providing a predicted overspend of £52,900.
- 6.6. As in previous years if the increased pupil numbers are accessing early child care at the time of the January 2019 census the authority will see an adjustment to the early years funding block in July 2019 to reflect the change in pupil numbers.

## 7. High Needs Block

7.1. Table 4 below summarises the projected outturn position for the high needs block (excluding place funding), explanations for which are set out in the following paragraphs.

<b>Table 4 - High Needs Budget</b>	<b>2018-19 Revised budget</b>	<b>Forecast Outturn as at 31 Dec 18</b>	<b>Forecast (under)/overspend</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Element 3 Top up	8,731,900	8,829,300	97,400
Out of City providers	2,148,900	2,247,900	99,000
Financial support to special schools	868,300	868,300	0
Expenditure approved by Secretary of State	1,000,000	1,000,000	0
Permanent exclusion recharge	0	(85,000)	(85,000)
SEN support services	674,700	674,700	0
Medical Education	660,000	660,000	0
Outreach	186,900	186,900	0
Fair Access Protocol	60,000	60,000	0
<b>Total High Needs Block</b>	<b>14,330,700</b>	<b>14,442,100</b>	<b>111,400</b>

### Element 3 Top-up

7.2. Table 5 below breaks down the forecast overspend position for the Element 3 Top up funding as at the end of December 2018.

<b>Table 5 - Element 3 Top-up</b>	<b>2018-19 Revised budget</b>	<b>Forecast Outturn as at 31 Dec 18</b>	<b>Forecast (under)/overspend</b>
	<b>£</b>	<b>£</b>	<b>£</b>
EHCP Mainstream	1,205,200	1,596,000	390,800
Element 3 Top Up Special Schools	5,824,400	5,500,400	(324,000)
Element 3 Top Up - Resource Units	281,200	288,000	6,800
Element 3 Top Up - AP	221,100	203,300	(17,800)
Post 16 Special Educational Needs	800,000	853,300	53,300
Element 3 Top Up - OLA School	400,000	388,300	(11,700)
<b>Total Element 3 Top-up</b>	<b>8,731,900</b>	<b>8,829,300</b>	<b>97,400</b>

7.3. The forecast position for pupils at mainstream schools with Education Health and Care Plans (EHCP), is showing a predicted overspend of £390,800 an increase of £45,500 since the end of Quarter 2. The forecast position includes any changes to pupils and EHC Plans to the end of December 2018, along with estimated growth (based on 2017-18 growth) over the remaining months of the financial year.

7.4. There has been a net increase of 31 mainstream pupils with EHCPs between October and December 2018. Whilst the average cost per pupil has decreased from £3,405 to £3,306 during the same period, this is still higher than a budgeted average rate of £2,911 per pupil.



- 7.5. The September and October class lists for Special Schools were received in November 2018 and following validation by the SEND Team were paid during December 2018. Estimated element 3 payments for the period up to and including 31 March 2019 have been paid to schools and included in the quarter three forecast; this includes the additional pupils at Willows Centre for Children and Mary Rose Academy.
- 7.6. The forecast position includes any savings identified due to places being occupied by pupils placed by other local authorities in Special Schools, and the release of funding earmarked for increased levels of need which was not required. As at the end of October<sup>1</sup> this equated to an underspend of £324,000, which has been used to partly offset overspends elsewhere within the high needs block.
- 7.7. Following the receipt of the Harbour Alternative Provision data up to the October half term, the Alternative Provision forecast underspend has increased to £17,800. This underspend is likely to change following the receipt of the remaining autumn and spring class lists.
- 7.8. The September 2018 intake of Post 16 pupils has been agreed and finalised with Colleges and the forecast position has been updated to include the part year effect of the new intake. Pupil numbers have increased by 14 in the new academic year and the average cost per pupil has increased by £87. The forecast overspend is expected to be approximately £53,300.
- 7.9. Portsmouth is responsible for paying the Element 3 Top-up rates for our high needs pupils, including when they are placed in Special Schools located in other local authorities. Based on current information, the expected outturn is for an underspend of £11,700, which is an improvement on the quarter 2 position.

### **Out of City Placements**

- 7.10. The Out of City placements budget is expected to overspend by £99,000, largely due to the increasing cost of out of city provision.

### **Independent and specialist provision**

- 7.11. The forecast includes estimated costs for a number of pupils who are planned to go into Independent and specialist provision before the end of the financial year resulting in the forecast overspend of £198,700. However, a review of the 2017-18 outstanding creditors has reduced the forecast overspend to £101,800.
- 7.12. Overall, there has been an increase in the number of pupils placed in independent and specialist provision at an average cost of £57,977. This

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<sup>1</sup> The date when the most recent class lists were received for payment by the authority.

is higher than the budgeted average cost of £53,010, although the average cost has reduced from £61,590 as at the end of September 2018.

### **Child and Adolescent Mental Health Services (CAMHS)**

7.13. There are currently 9 Pupils where the authority is expecting to fund a CAMHS placement at an estimated total cost 37,433, this is £8,900 over budget (budget set on 7 pupils).

7.14. Following a review of the 2017-18 creditors the current value of outstanding creditors has reduced to £7,800. This has released £11,700 to offset against the 2018-19 overspend reducing the forecast underspend to £2,800.

## **8. Carry forward balance**

8.1. As at the 31 December 2018 the forecast carry forward has increased to £2.4m. This includes the additional high needs funding provided in 2018-19 by the Secretary of State and reflects the decisions made by Cabinet Member and endorsed by Schools Forum to use the brought forward balance to manage pressures in the high needs block and one-off spending decisions.

## **9. Reasons for recommendations**

9.1. It is recommended that The Cabinet Member notes the contents of the report in respect of the financial forecast outturn for 2018-19 as at the end of the second quarter, 31 December 2018.

## **10. Equality impact assessment**

10.1. 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.

## **11. Legal implications**

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

## **12. Director of Finance's comments**

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

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Signed by:

## Appendices:

### 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 Beverley Pennekett, Finance Manager, if required.

Title of document	Location

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

..... on .....

.....  
Signed by:

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<b>Title of Meeting:</b>	<b>Cabinet Member for Education</b>
<b>Date of Meeting:</b>	<b>14 February 2019</b>
<b>Subject:</b>	<b>Education Portfolio Budget Monitoring Report for the Third Quarter 2018/19</b>
<b>Report from:</b>	<b>Chris Ward, Director of Finance and Section 151 Officer</b>
<b>Wards affected:</b>	<b>All</b>
<b>Key decision:</b>	<b>No</b>
<b>Budget &amp; policy framework decision:</b>	<b>No</b>

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## **1. Purpose of report**

- 1.1. To inform the Cabinet Member of the projected financial position for the portfolio revenue cash limit and capital programme for the current financial year 2018-19. This report sets out the budget position and contributing factors to the projected spend within the portfolio as at the end of December 2018.

## **2. Summary**

- 2.1. Current projections suggest that the total portfolio spending will be £209,000 in excess of the revenue budget provision. Continuing pressures on the school transport budget and a small overspend on operational costs are currently partially offset by staffing savings from vacant posts and staff turnover. The capital programme is currently forecasting a small overspend of £14,000 on the approved capital budget of £86.9m.

## **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 2018, together with the variance and pressure explanations.

## **4 Summary Position against Cash Limited Budget at the end of December 2018**

- 4.1 The service commenced the year with a portfolio reserve of £437,000, against which there are approved and actioned commitments of £216,000. The remaining £221,000 is currently intended to contribute towards potential pressures during 2018/19.

- 4.2 The Education budget at the third quarter now stands at £4.39m this is a decrease of £1m on the second quarter. This decrease was the result of necessary cash limit adjustments to reflect the contribution to capital programme of £1m that was funded from the Dedicated Schools Grant (DSG) following approval from the Secretary of State for Education. A service restructure has also resulted in a movement of budgets within the overall total.
- 4.3 At the end of the third quarter an overspend of £209,000 is currently forecast for the financial year as shown in the table below.

Service Area	Current Budget	Current Forecast	Variation
	£000	£000	£000
Strategic Services	-681	-721	-40
School Improvement	380	372	-8
Inclusion Support	3,976	4,275	298
Sufficiency, Participation & Support	715	674	-41
	4,390	4,599	209

This projected overspend is a decrease in that identified at the end of Quarter 2 of £39,000 and the forecast variances to budget are explained further below.

- 4.4 **Strategic Services** (£40,000 underspend): The underspend is largely a result of increased income within the music service and reduced staffing requirement within the Ethnic Minority Achievement service.
- 4.5 **School Improvement** (£8,000 underspend): The projected underspend relates to increased levels of traded income along with a change in the school improvement contract arrangements. The reduction in the projected underspend when compared to quarter 2 is a result of an additional school improvement contract for moderation.
- 4.6 **Inclusion Support** (£298,000 overspend): Home to school transport continues to provide a significant pressure on the budget, currently projected at a £300,000 overspend. The projected outturn has been updated to reflect the impact of new academic year contracts as well as the impact of the changes to the home to school transport policy.
- 4.7 **Sufficiency, Participation and Support** (£41,000 underspend): Vacancies within the service teams during the early part of the year have generated a budget underspend, although most of these posts have now been recruited to.

## 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 13<sup>th</sup> February 2018.
- 5.2 Current spending at £62.2m is some £24.0m below approved funding for the schemes identified, reflecting the longer term nature of capital spending. At this stage, however, the forecast eventual spending levels suggest a possible small overspend of £14,000 against total approved funding of £86.889m. As schemes

progress, any future underspends will be used to offset this small balance. 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 by £0.21m in 2018-19, which can be supported by the Portfolio reserve. The most significant variation is transport provision, with some minor in year savings against staffing budgets reducing the forecast deficit position slightly. The service recognises that any overspends are expected to be contained or carried forward and officers are working to identify where savings can be made. The pressures on the home to school transport budget, however, do not show any signs of abating and the number of young people eligible for free transport continues to grow (currently 574 compared to 534 one year ago). This can be managed for 2018/19 by using the portfolio reserve; however, the ability to find sufficient savings to fund the pressure when the reserve has been used will be hugely challenging.
- 6.2 The capital programme is broadly spending in line with approved funding levels with some relatively minor project spend variations, potentially 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 Beverley Pennekett, Finance Manager, if required.

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

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Signed by: Cabinet Member





Children and Education Capital Budgets

APPENDIX 1

Number	Scheme	Current Approved Budget £	Actual spend to Dec-18 £	Manager Forecast Spend £	Forecast Variance £	Explanation
1	Primary Capital Programme	15,922,000	15,841,900	15,843,200	-78,800	Budgets were enhanced to provide for additional temporary classrooms and unexpected ground and remedial works at two projects but final costs allowed for an underspend of general contingency funding.
2	Victory School	10,197,900	10,197,900	10,197,900	0	
3	Sufficiency Programme Phase One 2013- 2015	6,549,800	6,289,100	6,552,000	2,200	
4	Sufficiency Programme Phase Two 2015- 2017	11,024,800	8,792,700	11,047,700	22,900	
5	Secondary School Feasibility Study	150,000	97,600	150,000	0	
6	Temporary Accommodation	333,100	358,000	358,000	24,900	Additional signage and paving requirements to facilitate usage by sensory impaired students.
7	Vanguard Centre	3,270,600	3,178,200	3,260,600	-10,000	
8	King Richard School Rebuild 900-1000 places	1,685,500	1,416,000	1,712,100	26,600	
9	Portsmouth College Sufficiency Post 16	246,000	263,300	263,400	17,400	
10	Universal Infant Free School Meal Works	891,600	889,200	891,800	200	
11	Universal Infant Free School Meal Provision	628,700	593,500	628,700	0	Awaiting Tender Retruns for Reallocation of funds
12	Salix	124,200	115,300	124,200	0	
13	St Edmunds SI Provision	507,300	507,300	507,300	0	
14	Access SEN Pupils	283,200	290,600	292,100	8,900	
15	ALN Lift Repairs	42,200	41,100	42,200	0	
16	Schools Conditions Projects - Modernisation	1,489,200	1,422,500	1,479,500	-9,700	Contingency for Emergency Works yet to be Agreed
17	School Condition Projects 2014-2016	2,845,000	2,695,500	2,845,300	300	
18	School Conditions Project 2016 - 17	1,001,400	866,400	1,003,000	1,600	
19	Secondary School Places Expansion Phase (1)	1,652,000	1,597,500	1,657,300	5,300	
20	Special Education Needs - Building Alterations	3,191,600	1,620,700	3,191,600	0	
21	Schools Devolved Formula Capital 2016-17	2,883,800	2,686,900	2,883,900	100	Current project approvals being revisited
22	Sufficiency of Secondary School Places	5,482,500	473,700	5,182,500	-300,000	
23	Future Secondary School Places Feasibility	120,000	143,200	420,000	300,000	
24	School Condition 2017-18	1,155,500	680,000	1,157,900	2,400	
25	Beacon View - Kitchen Block	45,000	39,300	45,000	0	
26	School Condition 2018-19	1,100,000	575,600	1,100,300	300	Current project approvals being revisited
27	Sufficiency of School Places 2018-19	10,332,800	397,000	10,332,800	0	
28	Special School Places - Redwood Park	3,053,700	40,400	3,053,700	0	
29	Special School Places - Willows	400,000	56,600	400,000	0	
30	Milton Childcare Sufficiency	250,000	0	250,000	0	
31	Forest School - Community Accessible Education Centre	30,000	0	30,000	0	
32	30 Hours Delivery Support EY	10,000	0	10,000	0	
	TOTALS	86,899,400	62,167,000	86,914,000	14,600	

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**Title of meeting:** Cabinet Member

**Date of meeting:** 14 February 2019

**Subject:** 2019-20 Element 3 top-up arrangements

**Report from:** Alison Jeffery, Director of Children, Families and Education

**Report by:** Beverley Pennekett, Finance Manager

**Wards affected:** All Wards

**Key decision:** No

**Full Council decision:** No

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## **1. Purpose of report**

- 1.1. The purpose of this report is to seek approval for the Element 3 top-up rates for Special Schools, Inclusion Centres and Alternative Provision (AP) settings.

## **2. Recommendations**

**It is recommended that the Cabinet Member:**

- 2.1. Approves the 2019-20 Element 3 Top-up rates for Special Schools, Inclusion Centres and Alternative Provision settings as set out in Appendix 1.
- 2.2. Reverses the decision made on 9 October 2018 to implement the proposed changes to the high needs funding namely:
- a. The introduction of a banding system for element 3 top-up funding for children with EHCPs in mainstream schools.
  - b. The introduction of a banding system for element 3 top-up funding for children with EHCPs in inclusion centres.
  - c. Reduce special school rates by 1%
  - d. To recommission the Outreach contract from September 2019 to achieve a cost reduction of 10%
  - e. To make efficiencies in the Portage Plus team in order to release £10,000 of funding.

## **3. Background and Previous Decisions**

- 3.1. The Dedicated Schools Grant (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.

- 3.2. At the meeting on 16 January 2019 the Cabinet Member approved the school funding arrangements and Dedicated Schools Grant (DSG) budget for 2019-20, but postponed the decision to approve the element 3 top-up funding rates for children with Education, Health & Care Plans (EHCPs) in special schools, inclusion centres, AP settings and mainstream schools until after the Schools Forum meeting on 16 January 2019. This enabled the Cabinet Member to hear the views of schools with regards to the proposed changes before making her decision.

#### **4. Element 3 top-up rates**

- 4.1. At the time of setting the budget for 2018-19, high needs pressures were forecast which exceeded the High Needs funding allocation by more than £400,000. It was agreed that the council would use DSG balances to meet the in-year pressure and balance the budget for 2018-19 whilst working with schools to develop proposals for managing the High Needs budget in 2019-20.
- 4.2. Following this work, the Cabinet Member approved and Schools Forum endorsed the following set of proposals in October 2018. These included:
- a. The introduction of a banding system for element 3 top-up funding for children with EHCPs in mainstream schools.
  - b. The introduction of a banding system for element 3 top-up funding for children with EHCPs in inclusion centres.
  - c. Reduce special school rates by 1%.
- 4.3. Schools were generally supportive of the move to a banded funding system and the greater flexibility it would provide in ensuring pupils' needs were met; however, they did raise concerns regarding the overall level of funding they would receive.
- 4.4. Following the Secretary of State's announcement of additional funding, however, it is now proposed to retain the existing top-up rates for special schools, inclusion centres and children with EHCPs in mainstream schools. This will allow officers to monitor the impact of the additional funding and to undertake a new review, thus ensuring that any future recommendations have time to be fully considered.
- 4.5. However, in advance of any review, Flying Bull Academy has recently highlighted the increasing needs of pupils attending their AP unit, requiring the school to provide additional support and therefore incurring additional costs. Following a review of their business case, an increase to the element 3 top-up from £4,638 to £6,000 per annum is proposed from September 2019.
- 4.6. The proposed element 3 top-up rates for special schools, inclusion centres and AP settings are set out in Appendix 1.

## 5. Reasons for recommendations

- 5.1. The recommendations within this report seek to allocate DSG resources appropriately and fairly, to provide the best possible outcomes for pupils in the City. They are consistent with the requirements contained within the School and Early Years Finance (England) (no. 2) Regulations 2018.

## 6. Equality impact assessment (EIA)

- 6.1. This report and the proposals within form part of, and are consistent with, the national implementation of the schools and high needs national funding formula as directed by the Department of Education and set out in the School and Early Years Finance (England) (no. 2) Regulations 2018.

## 7. Legal comments

- 7.1. The School and Early Years Finance (England) (No. 2) Regulations 2018 require local authorities to make an initial determination of their Schools Budget by the 28th February 2019. The recommendations in this report have regard to the requirements of those regulations and in particular identify elements of the proposals in respect of which Schools Forum's specific approval or endorsement is required.

## 8. Head of Finance comments

- 8.1. Financial comments have been included within the body of this report.

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

### Appendices:

Appendix 1 - Special School, Inclusion Centre and Alternative Provision Element 3 Top-Up Rates 2019-20

### 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
High Needs funding 2019 to 2020 operational guide (updated December 2018)	<a href="#">High needs funding arrangements: 2019 to 2020 - GOV.UK</a>

<b>Title of document</b>	<b>Location</b>
The School and Early Years Finance (England) Regulations	<a href="http://www.legislation.gov.uk">www.legislation.gov.uk</a>
School revenue funding working papers	Children, Families and Education Finance Team

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

.....  
Signed by:

## Appendix 1 - Element 3 Top-Up Rates 2019-20

### Special Schools

	<b>Cliffdale</b> <b>Element 3</b> <b>Top up rates</b> <b>2018-19 and</b> <b>2019-20</b>	<b>Harbour</b> <b>Element 3</b> <b>Top up rates</b> <b>2018-19 and</b> <b>2019-20</b>	<b>Mary Rose</b> <b>Element 3</b> <b>Top up rates</b> <b>2018-19 and</b> <b>2019-20</b>	<b>Redwood</b> <b>Element 3</b> <b>Top up rates</b> <b>2018-19 and</b> <b>2019-20</b>	<b>Willows</b> <b>Element 3</b> <b>Top up rates</b> <b>2018-19 and</b> <b>2019-20</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Band A	18,834	21,283	19,461	21,283	20,182
Band B	10,486	11,898	11,246	11,898	12,462
Band C	8,844	10,051	9,629	10,051	10,943
Band D	7,491	8,529	8,299	8,529	9,692
Band E	5,802	6,630	6,636	6,630	8,130
Band F	3,475	4,014	4,346	4,014	5,978
Band G	2,663	3,101	3,547	3,101	5,227
Band H	1,191	1,446	2,098	1,446	3,866
Core	5,500	8,500	8,500	3,800	9,600
Enhanced	9,700	11,200	11,200	9,000	12,400
Exceptional	18,800	21,200	19,400	18,800	20,100
Highly Exceptional	-	28,190	-	-	-
Highly Exceptional - 3+	-	-	30,000 <sup>1</sup>	-	-
Highly Exceptional - 1/2	-	-	45,000 <sup>2</sup>	-	-

### Alternative Provision

	<b>2018-19</b> <b>£</b>	<b>2019-20</b> <b>£</b>
Flying Bull	4,638	6,000
Harbour	8,000	8,000

<sup>1</sup> Element 3 Top-up paid for any subsequent pupils (3+) attending the highly exceptional class (where agreed by the local authority)

<sup>2</sup> Element 3 Top-up paid for the first two pupils attending the highly exceptional class (where agreed by the local authority)

**Appendix 1 - Element 3 Top-Up Rates 2019-20 contd.**

***Inclusion Centres***

	<b>2018-19 and 2019-20 rates £</b>
Devonshire Infant	1,934
Milton Park	8,476
Northern Parade Junior	0
Portsdown	1,934
Southsea Infant	2,731
Victory	1,934
St Edmunds	0
Trafalgar	0



# Agenda Item 6



**Portsmouth**  
CITY COUNCIL

<b>Title of meeting:</b>	<b>Education Decision Meeting</b>
<b>Decision maker</b>	<b>Cabinet Member for Education</b>
<b>Subject:</b>	<b>School Modernisation and Sufficiency Programme</b>
<b>Date of meeting:</b>	<b>14 February 2019</b>
<b>Report from:</b>	<b>Alison Jeffery Director of Children, Families and Education</b>
<b>Report by:</b>	<b>Caroline Corcoran Head of Sufficiency, Participation and Resources - Education Service</b>
<b>Wards affected:</b>	<b>All Wards</b>
<b>Key decision (over £250k):</b>	<b>No</b>
<b>Full Council decision:</b>	<b>No</b>

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## **1. Purpose of report**

- 1.1 The purpose of this report is to provide an update on the progress of:
- Urgent school condition projects
  - Secondary school sufficiency schemes aimed at increasing secondary school place capacity within the city
  - Special school sufficiency schemes aimed at ensuring that schools can take children with more complex SEND.
- 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, the secondary school sufficiency projects and the special 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 is one "live" condition project remaining from the 2017-18 programme, which is being completed in phases to minimise disruption to the school. Final end date is expected to be March 2019.
- 3.3 There were 10 urgent condition projects approved in the 2018-19 programme at the start of the financial year, plus a contingency allowance for urgent emerging works. Seven additional urgent condition projects have been reported since the start of the financial year.
- 3.4 Since the last report, three condition projects have been commissioned, funded from the contingency for urgent emerging works:
  - Fernhurst Junior School - design and preparation works for repairs to four gable ends.
  - Wimborne Junior School - design and preparation works for external repairs to masonry, stonework and for a pitched roof replacement.
  - Mayfield School - interim repair to flat roof.
- 3.5 Completed condition projects from the 2018-19 programme have been removed from the progress dashboard.
- 3.6 In summary, the urgent condition projects currently in progress are:
  - 2017-2018 modernisation programme - 1 project
  - 2018-2019 modernisation programme - 6 projects.
- 3.7 Risks to the progress of the individual projects, as detailed in the Progress dashboard at [Appendix A](#), have been updated. Apart from explanations where there have been completion delays, no new risks to the progress of the projects have emerged since the last report.

### **4. Secondary sufficiency schemes (phase 2)**

- 4.1 The Secondary School Place Strategy 2017-2023 outlined the immediate and medium-term pressures on secondary school places. The Strategy and the feasibility studies informed the recommendations to address future sufficiency issues. The council has previously approved funding for school expansions.
- 4.2 The progress of individual schemes, as detailed in [Appendix A](#), has been updated.
- 4.3 No risks to the progress of the projects have emerged since the last report.

## **5. Special school provision sufficiency schemes**

- 5.1 The council has previously approved funding for special school provision sufficiency schemes.
- 5.2 The progress of individual projects, as detailed in Appendix A, has been updated. These projects were not targeted at increasing the number of places, but ensuring that the schools can take children with more complex SEND.
- 5.3 There is an increasing demand for SEND places, and further work is being done to establish how to address this pressure on SEND provision.
- 5.4 No risks to the progress of the projects have been identified at this early stage.

## **6. Equality Impact Assessment (EIA)**

- 6.1 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.
- 6.2 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.
- 6.3 Each individual capital project/scheme includes an equalities impact assessment.

## **7. Legal implications**

- 7.1 The works within the projects/schemes identified are being undertaken in accordance with the council's statutory powers and duties and, in particular, 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
  - 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.
  - 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.

## 8. Finance comments

- 8.1 Financial monitoring of the capital programme is reported within the quarterly budget monitoring reports. The quarterly monitoring report can be found separately on this agenda.
- 8.2 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.
- 8.3 Any ongoing revenue implications will be met by individual schools through their individual budgets which are funded from the Dedicated Schools Grant (DSG).

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

## Appendix A: School Modernisation Programme - Live Projects 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:

**SCHOOL MODERNISATION - URGENT CONDITION PROJECTS 2017-2018**

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)
Northern Parade	Upgrade incoming electrical supply & distribution boards			Apr-18	Oct-18	Mar-19		G	A	Completion date delayed to March 2019. The work is being done in phases to minimise disruption to the school

**SCHOOL MODERNISATION - URGENT CONDITION PROJECTS 2018-2019**

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 Annexe	Replace emergency staircase				Feb-19	Feb-19		G	G	Fabrication of fire escape has been a time factor. A robust Fire Evacuation Plan is in place.
Fernhurst Junior	Gable repair			Jan-19	Mar-19	Apr-19		G	G	Agreed with the school to delay until Easter 2019, to minimise disruption to pupils.
Copnor Primary	Replacement of heating distribution system		In progress		Jun-19	Sep-19		N/A	G	Agreed with the school to delay until Summer 2019, to minimise disruption to pupils.
Fernhurst Junior	Gable repair - 4 No. gables - Design only		Mar-19					N/A	G	Liaison will take place with the school to agree timescales for the works
Wimborne Junior	External repair to masonry and stonework and pitched roof replacement - Design only		Jan-19					N/A	G	Liaison will take place with the school to agree timescales for the works
Mayfield	Interim roof repair			Jan-19				N/A	G	Liaison will take place with the school to agree timescales for the works
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 Quarter	RAG rating This Quarter	Project variance (Comments about progress and any emerging risks to timescales or budget)
Admiral Lord Nelson	New build extension and remodelling to accommodate future expansion of the school (+50 places per year group).	Feasibility design complete. Requirements agreed.	In progress - planning application submitted			Sep-20		G	G	
Charter Academy	New build extension and remodelling to accommodate future expansion of the school from Published Admission Number of 120 to 180 (+60 places per year group).	Feasibility design complete. Requirements agreed.	In progress - planning application submitted		Jul-19	Sep-20		G	G	
Portsmouth Academy	New build extension and remodelling to accommodate future expansion of the school from Published Admission Number of 192 to 250 (+58 places per year group).	Feasibility design complete. Requirements agreed.	Completed - planning permission granted	Completed	Feb-19	Sep-20		G	G	

# SCHOOLS MODERNISATION PROGRAMME - LIVE PROJECTS PROGRESS DASHBOARD

## SPECIAL PROVISION SUFFICIENCY SCHEMES

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 Quarter	RAG rating This Quarter	Project variance (Comments about progress and any emerging risks to timescales or budget)
Redwood Park Academy	Re-modelling of school to provide places for pupils with more complex special educational needs & disabilities	Feasibility design complete. Requirements agreed.	Completed		Apr-19	Aug-19		G	G	Contractor to be appointed in February 2019.
Cliffdale Academy	Re-modelling of school to provide places for pupils with more complex special educational needs & disabilities	Feasibility design complete. Requirements agreed.	Completed	Tender approved	On site	Main project, completion due by Feb-19, Additional works, completion due by Sep-19		G	G	Additional modest works required to retain the modular buildings on the site, due to increasing numbers of SEND pupils.
The Willows Centre for Children (Phase 2)	Re-modelling to provide Foundation Stage places for children with more complex special educational needs & disabilities	Feasibility design complete. Requirements agreed.	In progress			Sep-19		G	G	