



NOTICE OF MEETING

CABINET MEMBER FOR EDUCATION

WEDNESDAY, 2 OCTOBER 2019 AT 4.00 PM

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.

Membership

Councillor Suzy Horton (Cabinet Member)

Councillor Tom Coles

Councillor Terry Norton

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

AGENDA

- 1 **Apologies for absence**
- 2 **Declaration of interests**
- 3 **School Modernisation and Sufficiency Programme (Pages 5 - 12)**

Purpose

The purpose of the report is to provide an update on the progress of:

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

RECOMMENDED the Cabinet Member

- 1. 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).**
- 2. Formally approves the schemes agreed with the Lead Member since the last report.**

4 Education Portfolio Budget Monitoring Report for the First Quarter 2019-2020 (Pages 13 - 18)

Purpose

The purpose of the report is to inform the Cabinet Member of the projected revenue expenditure within the portfolio cash limit and capital programme for the current financial year 2019-20. This report sets out the budget position and contributing factors to the projected spend within the portfolio as at the end of June 2019.

RECOMMENDED that the Cabinet Member for Education

- 1. Notes the Education Portfolio forecast revenue and capital budget positions, as at the end of June 2019, together with the variance and pressure explanations.**

5 Dedicated Schools Grant 2019-2020 Quarter 1 Budget Monitoring (Pages 19 - 26)

Purpose

The purpose of the report is to inform The Cabinet Member for Education of the projected revenue expenditure of the Dedicated Schools Grant (DSG) for the current financial year 2019-20 as at the end of June 2019.

RECOMMENDED that the Cabinet Member:

- 1. Notes the forecast year-end budget position for the Dedicated Schools Grant as at 30 June 2019, together with the associated explanations contained within this report.**

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Date Not Specified

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Agenda Item 3



Portsmouth
CITY COUNCIL

Title of meeting:	Education Decision Meeting
Decision maker	Cabinet Member for Education
Subject:	School Modernisation and Sufficiency Programme
Date of meeting:	2 nd October 2019
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
Full Council decision:	No

1. Purpose of report

1.1 The purpose of this report is to provide an update on the progress of:

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

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).

2.2 It is recommended that the schemes agreed with the Lead Member since the last report are formally approved.

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 Funding for urgent condition projects was approved by the Council at the start of the financial year, plus a contingency allowance for urgent emerging works.
- 3.3 Five significant projects were identified for urgent works and the condition projects have been commissioned.
- 3.4 Completed condition projects have been removed from the progress dashboard.
- 3.5 The progress of the individual projects is detailed in the Progress dashboard at [Appendix A](#).

4. Secondary sufficiency schemes

- 4.1 The Secondary School Place Strategy 2018-2024 outlines the immediate and medium-term pressures on secondary school places. The council has approved funding for creating additional secondary school places and feasibility studies.
- 4.2 The progress of current secondary individual schemes at Admiral Lord Nelson School, Charter Academy and The Portsmouth Academy are detailed in Appendix A, which has been updated.
- 4.3 The risk highlighted in the Appendix in previous reports in relation to the unfunded consequential works required for the Admiral Lord Nelson School secondary expansion can be addressed. The nursery at ALNS needs to move to a different location on the site to enable the secondary expansion build to be completed. An existing early year's scheme within the capital programme has been completed under budget and it is recommended that additional funds are re-allocated to resolve this issue.
- 4.4 The St Edmund's expansion programme has begun on site. The council has agreed funding for the cost of 80 additional school places for this site. Therefore, this funding will now be released.
- 4.5 Feasibility studies to address future sufficiency issues are being costed and will inform recommendations in due course.

5. Primary sufficiency schemes

- 5.1 The Primary School Place Strategy 2018-2024 outlined the potential medium-term pressures on primary school places, subject to housing developments in the city. The strategy recommended undertaking feasibility studies to create a plan to address future sufficiency issues. The council has approved funding for the feasibility studies.
- 5.2 Five feasibility studies were reported in the last quarter for mainstream primary places.
- 5.3 The planned feasibility study at Flying Bull Primary School will also focus on expanding primary inclusion provision to meet growing need and demand, instead of primary mainstream places.
- 5.4 Two additional feasibility studies are required at Portsdown Primary School and Milton Park Primary School, again in relation to expanding primary inclusion provision to meet growing need and demand.

6. Special school sufficiency schemes

- 6.1 The council has previously approved funding for special school provision sufficiency schemes.
- 6.2 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.
- 6.3 There is an increasing demand for SEND places. The SEND Strategic Accommodation Review, reviewing current capacity in the city has been completed. This includes recommendations on how to address pressure on SEND provision, and initial design work is being undertaken to inform detailed cost estimates. The findings from the SEND Strategic Accommodation Review, about future accommodation needs and solutions, will be considered further.
- 6.4 It should be noted that the urgent works to create SEND provision in a new facility in Fratton, called The Lantern, for complex plus pupils was completed on time, despite the exceptionally short timeframe. This is a credit to all those involved.

7. Equality Impact Assessment (EIA)

- 7.1 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.
- 7.2 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.
- 7.3 Each individual capital project/scheme includes an equalities impact assessment.

8. Legal implications

- 8.1 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.

9. Finance comments

- 9.1 Financial monitoring of the capital programme is reported within the quarterly budget monitoring reports. The quarterly monitoring report will be brought to the September meeting.
- 9.2 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.
- 9.3 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:

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SCHOOLS MODERNISATION PROGRAMME - LIVE PROJECTS PROGRESS DASHBOARD

SCHOOL MODERNISATION - URGENT CONDITION PROJECTS 2019-20

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)
Copnor Primary	Replacement of heating distribution system Phase 2 - Pipework replacement	Completed	Completed	Sep-19					G	
Fernhurst Junior	Gable repair - 4 No. gables	Completed	In progress		Spring 2020				G	Substantial scheme which requires longer period on site than summer holidays. Scheduled to maximise school holidays and minimise disruption to pupils
Wimborne Junior	External repair to masonry and stonework and pitched roof replacement	Completed	In progress		Spring 2020				G	Substantial scheme which requires longer period on site than summer holidays. Scheduled to maximise school holidays and minimise disruption to pupils
Southsea Infant	External repair to masonry and stonework and replacement of windows	Completed	In progress		Spring 2020				G	Substantial scheme which requires longer period on site than summer holidays. Scheduled to maximise school holidays and minimise disruption to pupils

Page 1

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.	Completed - planning approval granted (delay affected programme for project)	Completed	Oct-19	Sep-20		G	G	Timescales for this project are very tight. Contingency arrangements will be considered in due course, in case of further delay.
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.	Completed - planning approval granted	Completed	On site	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 approval granted	Completed	On site	Sep-20		G	G	

SPECIAL PROVISION SUFFICIENCY SCHEMES

SCHOOLS MODERNISATION PROGRAMME - LIVE PROJECTS 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 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		Nov-19	Summer 2020		G	G	Contractor appointed. Modulars in place.
Cliffdale Academy (Early Years Staff area)	Re-modelling to provide Foundation Stage places for children with more complex special educational needs & disabilities	Feasibility design complete. Requirements agreed.	Completed	Tender approved	Sep-19	Nov-19		G	G	
Cliffdale Academy (Early Years Reception area)	Re-modelling to provide Foundation Stage places for children with more complex special educational needs & disabilities	Feasibility design complete. Requirements agreed.	Completed		Summer 2020	Summer 2020		G	G	Timing agreed with the school to minimise disruption to pupils.



Title of Meeting:	Cabinet Member for Education
Date of Meeting:	2nd October 2019
Subject:	Education Portfolio Budget Monitoring Report for the First Quarter 2019/20
Report from:	Chris Ward, Director of Finance and Section 151 Officer
Report by:	Maria Smith, Group Accountant
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 2019-20. This report sets out the budget position and contributing factors to the projected spend within the portfolio as at the end of June 2019.

2. Summary

- 2.1. The current forecast is for the total portfolio spending to be £337,000 in excess of the revenue budget provision. This arises from expected pressures on school transport and additional agency and staffing costs.
- 2.2. This report now includes Early Help and Prevention, Youth and Play Shared Services, PCMI and Community Learning which have recently been moved into the Education Portfolio.
- 2.3. The capital programme is currently forecasting an underspend of £586,200 on the approved capital budget of £88.8m.

3 Recommendations

- 3.1 It is recommended that the Cabinet Member notes the Education Portfolio forecast revenue and capital budget positions, as at the end of June 2019, together with the variance and pressure explanations.

4 Summary Position against Cash Limited Budget at the end of June 2019

- 4.1 The service commenced the year with a portfolio reserve of £218,000 against which there are approved and actioned commitments of £117,000. The remaining £102,000 is currently intended to contribute towards potential pressures during 2019/20.
- 4.2 At the end of the first quarter an overspend of £337,000 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	-81	-82	-1
School Improvement	707	715	8
Inclusion Support	3,797	4,202	404
Sufficiency, Participation & Support	724	722	-2
Early Help and Prevention	138	49	-89
Total Education Directorate	5,286	5,606	321
PCMI	31	48	17
Community Learning	0	0	0
Youth & Play Shared Services with the HRA	76	76	0
Total Education Portfolio	5,393	5,730	337

The forecast variances to budget are explained further below.

- 4.3 **Strategic Services** (£1,000 underspend): Staffing costs are currently anticipated to be slightly below budget provision as a result of a very minor variation in paid hours versus budget allocation.
- 4.4 **School Improvement** (£8,000 overspend): this relates to staffing costs currently anticipated to exceed budget.
- 4.5 **Inclusion Support** (£404,000 overspend): home to school transport continues to produce budget pressures and the current forecast is for an overspend in the region of £372,000. This is largely based on spending levels in line with the previous financial year with additional costs forecast for expected increases in the new contracts that will come into place in September 2019 and increased staffing costs. Forecasts will become clearer once these new contracts are in place for the new academic year.
- 4.6 **Sufficiency, Participation and Support** (£2,000 underspend): this relates to staffing costs currently anticipated to be slightly below budget provision.
- 4.7 **Early Help and Prevention** (£89,000 underspend): this relates to staffing vacancies within the locality teams which are currently being recruited to.
- 4.8 **PCMI - Portsmouth Craft & Manufacturing Industry** (£17,000 overspend): Sales from PCMI Manufacturing have been less than budgeted for. The target for sales was reduced this year to reflect the services declining sales. Despite

this more realistic sales target the Service is still unable to be sustainable without a Council subsidy.

- 4.9 **Youth & Play Shared Services with the HRA** (£200 underspend): there is a minor 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 12th February 2019 and the additional grant funding approved by the Cabinet Member since the 12 February 2019 totalling £428,000.
- 5.2 Current spending at £54.5m is some £33.7m 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 overall underspend of £0.586m against total approved funding of £88.240m. Any underspending arising from the Capital Programme which was funded from Corporate Capital Resources will be returned and be allocated through the Budget Process, ensuring that the Council are able to allocate capital funding through a competitive basis to the Council's highest priorities.
- 5.3 It should be noted that Council approved 2 years of funding for condition projects in February 2019, the forecast out turn includes committed projects of £0.931m for 2019-20 and £0.809m for 2020-21.
- 5.4 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 £0.3m, although the Portfolio reserve will partially mitigate this. The most significant variation is Transport provision. The Education department are about to engage the system development service to undertake a full review of the home to school transport provision. This will involve scrutinising all of the routes and pupils being transported and a full procurement exercise with a look to grow the market and increase competition. In addition, a report detailing the current home to school transport budget pressures will be taken to Cabinet in the Autumn term. The service recognises that any overspends will need to be contained or carried forward and officers are working to identify where savings can be made.
- 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 Richard Webb, 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 date	Manager Forecast Spend	Forecast Variance	Explanation
		£	£	£	£	
1	Primary Capital Programme	15,858,000	15,826,300	15,827,700	-30,300	
2	Sufficiency Programme Phase One 2013- 2015	6,344,200	6,289,100	6,289,300	-54,900	
3	Sufficiency Programme Phase Two 2015- 2017	11,024,900	8,969,700	11,047,500	22,600	
4	Secondary School Feasibility Study	150,000	97,600	97,700	-52,300	
5	Temporary Accommodation	358,000	358,000	358,000	0	
6	Vanguard Centre	3,264,900	3,230,900	3,260,600	-4,400	
7	King Richard School Rebuild 900-1000 places	1,712,300	1,418,400	1,712,100	-200	
8	Portsmouth College Sufficiency Post 16	263,400	263,500	263,500	100	
9	Universal Infant Free School Meal Works	892,800	889,300	891,800	-1,000	
10	Universal Infant Free School Meal Provision	628,700	593,800	628,700	0	
11	Salix	124,200	115,500	124,200	0	
12	Access SEN Pupils	290,600	290,600	292,100	1,500	
13	ALN Lift Repairs	42,200	41,100	42,200	0	
14	St Edmunds St Provision	557,300	557,300	557,300	0	
15	Schools Conditions Projects - Modernisation	1,447,000	1,422,600	1,449,600	2,600	
16	School Condition Projects 2014-2016	2,837,700	2,726,500	2,781,100	-56,600	
17	School Conditions Project 2016 - 17	981,400	868,500	956,400	-25,000	
18	Secondary School Places Expansion Phase (1)	1,643,000	1,651,000	1,693,000	50,000	
19	Special Education Needs - Building Alterations	3,191,600	2,064,100	3,203,800	12,200	
20	Schools Devolved Formula Capital 2016-17	4,343,800	3,059,800	4,343,800	0	
21	Sufficiency of Secondary School Places	5,517,500	941,300	5,193,300	-324,200	Final tender came in lower than expected
22	Future Secondary School Places Feasibility	304,500	155,100	88,300	-216,300	Expected to undertake 4 feasibility projects, 2 completed to date, currently reviewing requirements
23	School Condition 2017-18	954,300	683,500	918,200	-36,100	
24	Beacon View - Kitchen Block	45,000	39,700	45,200	200	
25	School Condition 2018-19	1,362,200	818,000	1,561,900	199,700	Increases due to further works identified on site and Tenders coming in higher than expected. Offset by underspends on previous years condition projects.
26	Sufficiency of School Places 2018-19	10,362,800	904,300	10,430,000	67,200	
27	Special School Places - Redwood Park	3,053,700	88,900	3,053,700	0	
28	Special School Places - Willows	400,000	66,900	400,000	0	
29	Milton Childcare Sufficiency	250,000	48,500	70,000	-180,000	
30	Forest School - Community Accessible Education Centre	30,000	0	30,000	0	
31	30 Hours Delivery Support EY	10,000	0	10,000	0	
32	Maintained Schools Urgent Condition Work	1,700,000	8,700	1,740,900	40,900	Two years of condition funding, £931,000 allocated in 2019-20 and £809,000 held for use in 2020-21
33	Additional School Places - Design	1,037,600	42,100	1,073,700	36,100	
34	Additional School Places in Mainstream Schools - Design	250,000	30,500	250,000	0	
35	Additional Secondary Schools Places - St Edmunds Catholic School (GRANT)	650,000	0	650,000	0	
36	Additional School Places 2020/2021	6,908,000	0	6,908,000	0	
TBC	Wymering Site	70,000	16,700	82,000	12,000	
Income	Academy Income	-35,000	-50,000	-85,000	-50,000	
	TOTALS	88,826,600	54,527,800	88,240,600	-586,200	

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Title of meeting: Cabinet Member for Education

Date of meeting: 2 October 2019

Subject: Dedicated Schools Grant 2019-20 quarter one budget monitoring

Report by: Chris Ward, Director of Finance and Information Services

Wards affected: All

Key decision: No

Full Council decision: No

1. Purpose of report

1.1. The purpose of this report is to inform The Cabinet Member for Education of the projected revenue expenditure of the Dedicated Schools Grant (DSG) for the current financial year 2019-20 as at the end of June 2019.

2. Recommendations

It is recommended that the Cabinet Member:

1.2. Notes the forecast year-end budget position for the Dedicated Schools Grant as at 30 June 2019, together with the associated explanations contained within this report.

3. Background

1.3. 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.

1.4. The original DSG budget for the financial year 2019-20, was approved by the Cabinet Member for Education and endorsed by Schools Forum in January 2019. Further budget adjustments were agreed by the Cabinet Member and endorsed by Schools Forum in July 2019; whilst these were approved after the closure of the first quarter accounts, the adjustments have been included within the first quarter's monitoring to ensure the forecast reflects recent decisions. This report provides the Cabinet Member with the latest forecast estimate of the year-end outturn as at 30 June 2019.

1.5. Table 1 below sets out the forecast year-end financial position of the DSG budget as at 30 June 2019.

Table 1 - Dedicated Schools Grant				
	Original budget 2019-20 £000's	Revised Budget 2019-20 £000's	Projected outturn 2019-20 £000's	Projected over / (under) spend £000's
Income				
DSG Brought forward 2018-19	0	(3,138)	(3,138)	0
DSG and other specific grants	<u>(72,309)</u>	<u>(70,012)</u>	<u>(70,012)</u>	<u>0</u>
Total Income	(72,309)	(73,150)	(73,150)	0
Expenditure				
Primary ISB	28,753	26,671	26,671	0
Secondary ISB	11,680	11,680	11,680	0
Special school place funding	1,578	1,411	1,411	0
Inclusion Centre Place funding	302	307	307	0
Alternative provision place funding	<u>1,090</u>	<u>1,090</u>	<u>1,090</u>	<u>0</u>
Total Delegated	43,403	41,159	41,159	0
De-delegated and central budgets	1,580	1,746	1,421	(325)
Early Years	14,138	14,138	14,138	0
High Needs	13,189	13,439	13,795	356
Total Expenditure	72,309	70,483	70,513	30
Net forecast position	0	(2,668)	(2,637)	30
DSG Carried forward	0	2,668	2,637	(30)

Academy conversions and SEND changes

1.6. Since the original budget was set in January 2019, there have been a number of academy conversions, special school place changes and other SEND adjustments. These have been included within the revised budget in Table 1 which was approved by Cabinet Member and Schools Forum in July 2019.

De-delegated and Central Budgets

1.7. The growth fund allocations have been issued to schools and academies meeting the criteria for 2019-20. Overall three maintained schools and nine academies received growth funding for the financial year 2019-20. The growth fund forecast shows an underspend of £319,000 compared to budget. No further payments are expected for this financial year.

The remaining £6,000 underspend is due to DfE centrally negotiated licenses costs which were £6,000 less than the estimated budget.

Early Years Block

1.8. At the time of closing the first quarter's accounts, the final summer term payments to early years' providers of two, three and four year-old childcare have yet to be made, the forecast remains on budget. Adjustments will be made during July and August 2019 for actual take up during the summer term, as well as the funding adjustment to the DSG for take up during 2018-19. The forecast will be updated accordingly in the second quarter monitoring statement.

High Needs Block

1.9. The summer term class lists for Special Schools and, Inclusion Units across the City were not available at the time of writing this report, the forecast outturn for the Element 3 Top-up funding for these settings is assumed to be as at budget and forecasts will be updated and included in the quarter 2 monitoring report.

1.10. Table 2 below summarises the forecast outturn position for the high needs block, explanations for which are set out in the following paragraphs.

Table 2 - High Needs Budget	2019-20 Revised budget	Forecast Out turn as at 30 June 19	Forecast (under)/over spend
	£	£	£
Element 3 Top up	9,440,000	9,694,600	254,600
Out of City providers	2,365,100	2,466,100	101,000
EYs Complex Needs Inclusion Fund	52,500	52,500	0
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
Total High Needs Block	13,439,200	13,794,800	355,600

Element 3 Top-up

1.11. Table 3 below breaks down the forecast overspend position for the Element 3 Top up funding as at the end of June 2019.

Table 3 - Element 3 Top-up	2019-20 Revised budget	Forecast Out turn as at 30 June 19	Forecast (under)/over spend
	£	£	£
EHCP Mainstream	1,413,600	1,664,600	251,000
Element 3 Top Up Special Schools	6,258,700	6,258,700	0
Element 3 Top Up - Resource Units	215,100	215,100	0
Element 3 Top Up - AP	213,700	217,300	3,600
Post 16 Special Educational Needs	909,000	909,000	0
Element 3 Top Up - OLA School	429,900	429,900	0
Total Element 3 Top-up	9,440,000	9,694,600	254,600

1.12. The September 2019 in-take of Post 16 pupils will not be agreed and finalised with Colleges until October 2019, when pupil destinations are confirmed. The forecast position is assumed to remain on budget and will be updated in the third quarter following receipt of the final data.

1.13. The forecast position for pupils at mainstream schools with Education Health and Care Plans (EHCP), is showing a predicted overspend of £251,000. The forecast position includes any changes to pupils and EHC Plans up to the end of June 2019 along with the expected growth (based on 2018-19 growth) over the remaining months of the academic year. The sustained annual growth is attributed to increasing numbers of pupils with high needs along with increased complexity of need.

1.14. There has been a net increase of 35 mainstream pupils with EHCPs between April and June 2019. The average cost per pupil has increased from a budgeted rate of £3,465 to £3,783. This increase in cost reflects the higher levels of need and associated support requirements for pupils with EHC Plans in mainstream settings.

1.15. The summer half term class list was received for the alternative provision settings (Harbour and Flying Bull). It shows an increase in the number of pupils hence the forecast out turn is expected to overspend by £3,600.

1.16. A task and finish group has been set up to review the potential introduction of banded funding for mainstream EHCP, whilst this won't offer a saving it is expected curtail the level of growth seen in this sector. The outcomes of the discussions and any proposed changes will be consulted with schools and brought to the October 2019 Schools Forum and Cabinet Member meetings.

Out of City Placements

1.17. Out of City placements are split between:

- Independent and Specialist provision
- Child and Adolescent Mental Health Services (CAMHS).

1.18. Table 4 below provides a breakdown of the forecast position for each element.

	Budget		Forecast position		Variance	
	£	Pupils	£	Pupils	£	Pupils
Independent & Specialist providers	2,337,700	36	2,417,800	39	80,100	3
CAMHS	27,400	7	48,300	7	20,900	0
Total	2,365,100	43	2,466,100	46	101,000	3

Independent and specialist provision

1.19. The budget is forecasted to overspend by £80,100, based on the current number of pupils and forecast expenditure. This reflects the increase in number of pupils (39 pupils compared to a budget of 36 pupils) partially offset by a slight reduction in average cost (£64,950 budget vs £62,000 current).

Child and Adolescent Mental Health Services (CAMHS)

1.20. There are currently 7 Pupils where the authority is expecting to fund a CAMHS placement at an estimated total cost £48,300; this is £20,900 over budget. The significant uplift in cost reflects the increasing levels of need and associated support provided to these pupils. It should be noted that the actual cost of these pupils will not be known until the invoice is received. The estimate is based on the average cost per pupil paid in 2018-19 of £6,900, compared to a budgeted cost of £3,900.

Grant funding

1.21. The DSG grant funding includes the adjustments made for academy conversions and post 16 place recoupment occurring during the first quarter. Further adjustments are expected in the second quarter for:

- Early years' pupil numbers for the period September to March 2018-19 and for 2019-20 financial year following the January 2019 census.
- High needs block import/export adjustment to reflect the movement of pupils across local authority boundaries.

1.22. Once received, the adjustments will be included in the second quarter monitoring.

Carry forward balance

- 1.23. The January budget setting report and the July budget revision reports provided an update on the use of the carry forward from 2018-19. Table 5 below provides the position as at the 30 June 2019.

Table 5 - Use of the 2018-19 carry forward balance		
	£m	£m
Brought forward from 2018-19 (including school specific contingency)		3,138
School Specific Contingency 2019-20	(0.142)	
Carry forward from 2018-19 before Budget Revisions		2,996
June 2019 forecast overspend as per Table 1	(0.030)	
Forecast position as at 30 June 2019		2,966
Increase in HN budget to support additional spend (July 19 budget revisions)	(0.329)	
Revised carry forward balance		2,637

- 1.24. The carry forward balance of £2.637m contains the known pressures as at the end of June 2019. There are a number of potential spending implications which will impact on the carry forward balance. At the time of writing the report the relevant approvals have not been granted and the values quoted are estimates based on information available at the time and have not been included in the forecast position at the end of June 2019. The potential impact is explained in the paragraphs below.

Potential impact in 2019-20

- 1.25. As reported previously The Willows Centre for Children closes on 31 August 2019, there is a potential deficit final balance of approximately £100,000.
- 1.26. During the summer term a number of requests were received for the re-banding of pupils at Solent Academies Trust schools. At the time of writing the report the final approvals have not been confirmed but based on the draft information this could be in the region of £289,000 in 2019-20, with a full year effect of £362,000 in 2020-21.

Potential impact in future years

- 1.27. The authority is working with Solent Academies Trust to set an Element 3 Top-up rate for the whole Trust rather than have separate top-up rates for each school. Whilst the overall impact of this process will be to maintain funding at the current levels for the whole Trust, there may be an increase in overall funding. Based on the banding exercise carried undertaken for all special schools in September 2017 a notional estimate of £50,000 has been set aside for this.

- 1.28. The authority has received confirmation from the DfE regarding the building of a new 66 place Special Free school at Wymering. Whilst the DfE will be funding the building of the School, the authority is responsible for funding the 60 places and the Element 3 Top-up for the pupils that attend the school.
- 1.29. Current DfE guidelines suggest that the place funding will be included in the DSG grant in the first year of opening. However the authority will not receive funding for the additional pupils as part of its Dedicated Schools Grant until the following financial year. Therefore the carry forward would need to cover the initial academic year's element 3 top-up of approximately £1.2m.
- 1.30. The potential impact on the carry forward of these activities is set out in the table below.

Table 6 - Potential call on 2018-19 carry forward		
	£m	£m
Forecast position as at 30 June 2019		2.637
Other potential pressures (awaiting confirmation - not included within the June forecast balance)		
Willows closing balance	(0.100)	
Increased levels of need for pupils attending special schools	(0.289)	
Estimated DSG reserves 2019-20		2.248
Solent Academies Trust banding review	(0.050)	
Increased level of need for pupils attending special schools - full year effect	(0.362)	
Wymering Free School (Element 3 top-up funding)	(1.320)	
Estimated future DSG reserves		0.516

- 1.31. The balance of £0.516 equates to 0.34%¹ of the authorities DSG funding. Putting the authority at risk of not being able to meet future pressures.
- 1.32. There are a number of uncertainties regarding future DSG funding, for example the 2020-21 spending review, the SEND call for evidence, which may impact on the funding received in future years. The Children Families and Education Finance team is working with the Education Department and schools to manage the position. Proposals will be brought to future Cabinet Member and Schools Forum meetings following consultation with schools.

4. Reasons for recommendations

- 1.33. It is recommended that Cabinet Member notes the contents of the report in respect of the financial forecast outturn for 2019-20 as at the end of the first quarter, 30 June 2019.

¹ Dedicated Schools Grant total value of £152,241,766, including academies

5. Equality impact assessment

1.34. 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.

6. Legal implications

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

7. Director of Finance's comments

1.36. 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 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

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

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Signed by: