

# NOTICE OF MEETING

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## **CABINET MEMBER FOR CHILDREN, FAMILIES AND EDUCATION**

**WEDNESDAY, 16 MARCH 2022 AT 4.00 PM**

## **COUNCIL CHAMBER - 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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## **CABINET MEMBER FOR CHILDREN, FAMILIES AND EDUCATION**

Councillor Suzy Horton (Liberal Democrat)

### **Group Spokespersons**

Councillor Terry Norton, Conservative

Councillor Jeanette Smith, Progressive Portsmouth People Group

Councillor Judith Smyth, Labour

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

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## **A G E N D A**

- 1 Apologies**
- 2 Declaration of Members' Interests**

**3 Children, families and education portfolio Budget Monitoring third quarter 2021-22 (Pages 5 - 12)**

Purpose

To inform the Cabinet Member of the projected revenue expenditure within the portfolio cash limit and capital programme for the current financial year 2021/22. This report sets out the budget position and contributing factors to the projected spend within the portfolio as at the end of December 2021.

**RECOMMENDED that the Cabinet Member:**

- 1. Notes the Children, Families and Education Portfolio forecast revenue and capital budget positions and mitigating actions, as at the end of December 2021.**
- 2. Approves the addition of the £1.18m Special Educational Needs capital grant to scheme 'Accommodation for Special Education Needs' and approves the proposed capital transfers between schemes previously requested as set out in paragraph 6.6 and Appendix 1 of the report.**

**4 Dedicated Schools Grant 2021-22 Quarter 3 Budget Monitoring (Pages 13 - 20)**

Purpose

The purpose of this report is to inform the Cabinet Member of the forecast outturn position of the Dedicated Schools Grant (DSG) as at the end of December 2021.

**RECOMMENDED that the Cabinet Member:**

- 1. Notes the forecast budget position for the Dedicated Schools Grant as at 31 December 2021, together with the associated explanations contained within this report.**
- 2. Approves the budget adjustment to the Post-16 Element 3 Top-up by £12,000.**

**5 Update on Education Capital Programme (Pages 21 - 28)**

Purpose

To update the Cabinet Member on the implementation of the education capital programme.

**RECOMMENDED that the Cabinet Member:**

- 1. Notes the progress on the 'Accommodation for Special Educational Needs' (additional specialist school places) projects**

- 2. Notes that the council has received a SEND Capital grant of £1.18m in 2021/21**
- 3. Notes the Special Educational Needs schemes agreed with the Lead Member since the last report**
- 4. Notes progress on the secondary sufficiency schemes**
- 5. Notes progress on the urgent school condition projects for LA Maintained schools.**
- 6. Notes that the DfE has announced a further round of the school rebuilding programme for which the council will be submitting a bid**
- 7. Notes progress with the placement of the education case management system project.**

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# Agenda Item 3



**Portsmouth**  
CITY COUNCIL

<b>Title of Meeting:</b>	<b>Cabinet Member for Children, Families and Education</b>
<b>Date of Meeting:</b>	<b>16<sup>th</sup> March 2022</b>
<b>Subject:</b>	<b>Children, Families and Education Portfolio Budget Monitoring Report for the Third Quarter 2021/22</b>
<b>Report from:</b>	<b>Chris Ward, Director of Finance and Section 151 Officer</b>
<b>Report by:</b>	<b>Maria Smith, Group Accountant</b>
<b>Wards affected:</b>	<b>All</b>
<b>Key decision:</b>	No
<b>Budget &amp; policy framework decision:</b>	No

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## **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 2021/22. This report sets out the budget position and contributing factors to the projected spend within the portfolio as at the end of December 2021.

## **2. Summary**

- 2.1. There is a pressure of £4,323,600 projected on the current revenue budget. There is a large pressure on the budget from looked after children and care leaver placements, as well as expected pressures as result of the COVID-19 pandemic on expenditure and savings plans.
- 2.2. The financial impact of the COVID-19 pandemic is still being realised across the whole of the portfolio. At this stage it is unclear what ongoing impact the COVID-19 pandemic will have in terms of demands on the Children, Families and Education Portfolio.
- 2.3. Following a realignment of budgets as part of the approval of the 2021/22 capital programme in February 2021, both the Education and Children and Families capital programmes are currently forecasting a breakeven position on capital expenditure across the Capital Programme period to 2024/25.

## **3 Recommendations**

- 3.1 It is recommended that the Cabinet Member notes the Children, Families and Education Portfolio forecast revenue and capital budget positions and mitigating actions, as at the end of December 2021.
- 3.2 To approve the addition of the £1.18m Special Educational Needs capital grant to scheme **Accommodation for Special Education Needs** and to approve the proposed capital transfers between schemes as set out in paragraph 6.6 and Appendix 1.

#### **4 Background**

- 4.1 The Medium Term Financial Strategy identified the future demand and cost pressures facing the service, along with strategies to improve outcomes and manage within budget, but the impact of Covid-19 is to be provided for centrally as it was in 2020/21.

#### **5 Summary Position against Cash Limited Budget at the end of December 2021**

At the end of the third quarter an overspend of £4,316,600 is currently forecast for the financial year as shown in the table below.



Service Area	Full Year Budget	21-22 Forecast	Variance*	Variance of which relates to COVID-19 expenditure and loss of income
	£000	£000	£000	£000
Inclusion Services	2,352	2,283	- 69	72
Management, Sufficiency and Resources	2,789	2,949	161	217
School Improvement	376	216	- 160	32
Family Safeguarding Service	6,581	7,189	608	317
Edge of Care	1,233	1,250	17	-
Looked After Children	21,077	24,515	3,438	1,223
Safeguarding & Monitoring	809	904	96	1
Support Activities	3,067	3,414	347	25
Early Help and Prevention	201	153	- 48	80
Commissioning & Performance	984	919	- 65	29
<b>Total Director of Children's Services and Education</b>	<b>39,468</b>	<b>43,791</b>	<b>4,323</b>	<b>1,996</b>
Community Learning	-	-	-	-
PCMI	67	67	0	8
<b>Total Director of Regeneration</b>	<b>67</b>	<b>67</b>	<b>0</b>	<b>8</b>
Youth & Play Shared Services with the HRA	442	435	- 7	-
<b>Total Director of Housing, Neighbourhood and Building Services</b>	<b>442</b>	<b>435</b>	<b>- 7</b>	<b>-</b>
<b>Total Children, Families and Education Portfolio</b>	<b>39,976</b>	<b>44,293</b>	<b>4,317</b>	<b>2,004</b>

\*Total variation includes variation due to COVID-19 and variation not related to COVID-19  
Numbers may not exactly add up due to rounding

The forecast variances to budget are explained further below.

- 5.1 **Inclusion Services** (£69,400 underspend): This includes £72,000 of costs relating to COVID-19. The COVID-19 overspend is due to reduced income expected through fixed penalty notices for school attendance. The remaining underspend is due to an additional grant within the Virtual School and part-year vacancies within Education Psychology.
- 5.2 **Management, Sufficiency and Resources** (£160,500 overspend): This includes £217,000 of costs relating to COVID-19. The COVID-19 overspend is due to Home to School Transport costs where covid precautions on vehicles are forecast to the end of the financial year.
- 5.3 **School Improvement** (£159,700 underspend): This includes £32,000 of costs relating to COVID-19. The COVID-19 overspend is due to additional spend on a partnership to developing the availability of digital learning in schools. The non-Covid underspend relates to reflecting the Dedicated Schools Grant (DSG)

contribution towards the Early Years team and a one-off underspend on early years building costs.

- 5.4 **Family Safeguarding Service** (£608,200 overspend): This includes £317,000 of costs relating to COVID-19. COVID-19 has meant that additional staff have been recruited to meet the increased demand in the system (i.e. an increase in referrals, assessment work and children subject to a child protection plan). The non-COVID overspend is due to a small number of exceptionally high cost placements for Children with Disabilities.
- 5.5 **Edge of Care** (£17,100 overspend): the overspend is due to remand placements in relation to secure youth detention which is offset by staff income.
- 5.6 **Looked After Children** (£3,437,900 overspend): This includes £1,223,000 costs relating to COVID-19. The COVID-19 pressure is a result of delayed savings on the Adult Family Safeguarding Team, increased costs due to delays in step down in looked after children placements due to the pressures of lockdown and staffing pressures within the Children's Homes.
- 5.7 The non-COVID overspend is largely in relation to care leavers where we have a growing number of care leavers due to the increase in age for statutory responsibility for care leavers, and a small number of very high-cost care leavers. This is currently projecting a £879,000 overspend.
- 5.8 The projected overspend on placements is anticipated to be £1,309,000. Work is ongoing to ensure that placements achieve the right outcomes at the best value for money. These costs exclude Unaccompanied Asylum-Seeking Children. The external residential projection allows for a small increase in numbers due to COVID-19.

December 2021	Budget			Current Projection				
Placement Type	Average	Av Unit Cost	Budget	Current placements	Average Predicted	Av Unit Cost	Final Outturn	Budget Pressure
	Nos	£	£	Nos	Nos	£	£	£
External Residential	14.90	258,686	3,853,800	20.00	15.64	329,689	5,156,340	1,302,540
Semi Independent	5.21	51,086	266,400	3.00	1.78	279,499	497,508	231,108
Independent Fostering Agency (IFA)	28.26	47,623	1,345,700	21.00	16.53	55,527	917,861	-427,839
In-House Foster care	237.92	25,033	5,955,800	239.00	250.03	24,837	6,210,085	254,265
<b>Sub-total</b>	<b>286.29</b>	<b>39,895</b>	<b>11,421,700</b>	<b>283.00</b>	<b>283.98</b>	<b>45,009</b>	<b>12,781,774</b>	<b>1,360,074</b>
<b>Sub-total Outturn 2020/21 Comparison</b>	<b>317.81</b>	<b>39,337</b>	<b>12,501,700</b>		<b>298.29</b>	<b>45,529</b>	<b>13,580,732</b>	<b>1,079,032</b>
Adoption	54.29	8,960	486,500	45.00	53.82	8,814	474,330	-12,170
Child Arrangement Orders	12.67	5,945	75,300	9.00	9.07	5,049	45,791	-29,509
Special Guardianship	143.33	5,801	831,500	138.00	132.99	6,179	821,684	-9,816
<b>Grand Total</b>	<b>496.58</b>	<b>25,806</b>	<b>12,815,000</b>	<b>475.00</b>	<b>479.85</b>	<b>29,433</b>	<b>14,123,579</b>	<b>1,308,579</b>
<b>Grand Total Outturn 2020/21</b>	<b>537.63</b>	<b>25,892</b>	<b>13,920,100</b>		<b>495.94</b>	<b>30,048</b>	<b>14,901,616</b>	<b>981,516</b>

- 5.9 Unaccompanied Asylum-Seeking Children (UASC) and UASC Care Leavers are currently forecasting an overspend of £635,000. This overspend is caused by the income from the Home Office that does not cover the costs of care leaver placements and the number of under 18 UASC (where the Home Office grant exceeds the placement costs) being less than budgeted for.



- 5.10 **Safeguarding & Monitoring** (£95,500 overspend): The forecast overspend is due to staffing pressures in the Service Quality and Participation and Academy Teams. The COVID cost of £1,000 is an additional staffing requirement due to increased child protection activity.
- 5.11 **Support Activities** (£346,700 overspend): The forecast overspend is due to staffing pressures within the Management Team where agency staff are currently in strategic posts. The COVID costs are £25,000 of additional legal fees as a result of cases running for longer.
- 5.12 **Early Help and Prevention** (£48,400 underspend): This includes £80,000 of costs relating to COVID-19. The COVID-19 costs are projected for additional staff to help families stay together. The underlying underspend is due to several vacant posts that are actively being recruited to.
- 5.13 **Commissioning and Performance** (£65,100 underspend): This includes £29,000 costs relating to COVID-19. The COVID-19 overspend relates to an additional requirement for data therefore an additional officer has been recruited. The non-covid underspend is due to vacancies within the service.
- 5.14 **Community Learning** (On Budget): This area is projected to be on budget.
- 5.15 **PCMI - Portsmouth Craft & Manufacturing Industry** (On budget): This area is projected to be on budget.
- 5.16 **Youth and Play Shared Services with the HRA** (£7,000 underspend): This area has a minor underspend.

#### **Action Plan to mitigate the current financial pressure**

5.17 Plans to mitigate the current overspend position include:

- ❖ use of the Children, Families and Education portfolio reserve (£0.4m)
- ❖ a weekly review of high cost placements
- ❖ ensuring that all eligible young people are in receipt of universal credit
- ❖ a review of the care leaver offer
- ❖ lobbying of government for additional funding to reflect the increase in statutory responsibility to 25 for care leavers
- ❖ lobbying the Home Office for an increase in the grant for UASC care leavers and timely assessments for the Right to Remain.

## **6 Capital Programme**

- 6.1 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 9 February 2021.

- 6.2 Current spending at £55.4m is some £14.9m below approved funding for the schemes identified, reflecting the longer-term nature of capital spending. At this stage, however it is forecast that overall there will be a breakeven position against the total approved funding of £70.3m. 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.
- 6.3 Comments related to the variations are noted on Appendix 1, and arrangements to re-align budgets and adjusted spending plans are currently being considered.
- 6.4 In 21/22 the Council has received a £1.18m SEND capital grant and it is proposed that this is added to the 21/22 scheme of Accommodation for Special Education Needs.
- 6.5 It should be noted that the current economic climate is increasing the cost of capital works and recent tenders have indicated that costs are approximately 50% higher than expected. The Education Department is working closely with the Design Service, Architects, contractors, and schools to manage costs down and reviewing current and planned schemes to re-prioritise and identify funding to ensure that critical sufficiency works are completed.
- 6.6 The table shown below is the current approved capital programme for Children and Families, including payments made to date. Funding for all schemes was approved by Council 9 February 2021.

Children and Families Capital programme 2021-22		Approved budget	Actual Expenditure to date	Forecast Expenditure	Forecast variance
Number	Scheme	£	£	£	£
1	Adaptations to Foster Carer Properties	185,000	108,266	108,300	-76,700
2	Children's Case Management Software Replacement	2,707,000	2,371,190	2,707,000	0
3	Tangier Road Children's Home	503,900	503,859	503,900	0
4	Beechside Children's Home	50,100	50,123	61,300	11,200
5	Capital Grant for Disabled Looked after Children	210,200	210,195	210,200	0
6	E C Roberts Centre refurbishment Loan	250,000	7,200	250,000	0
7	Adaptation to Carers Homes	400,000	82,614	465,500	65,500
40	Acquisition of Mosaic Mobile Work Force Cloud Technology	545,000	0	545,000	0
	<b>Total</b>	<b>4,851,200</b>	<b>3,333,447</b>	<b>4,851,200</b>	<b>0</b>

- 6.7 Adaptations to Foster Carer properties relates to capital grants that assist in delivering foster placements. The underspend on this project will be moved to Scheme 7 Adaptions to Carers Homes and Scheme 4 Beechside Children's Home as part of the budget realignment later in the financial year. Each proposal to adapt carers homes is subject to a separate financial appraisal and approval arrangement. The projection includes three requests which were approved previously and one request for funding currently under consideration. The increased cost on Beechside Children's Home relates to work to improve the garden and leisure facilities.

## **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 set out in paragraph 3.1 of this report.

## **9 Director of Finance comments**

- 8.1 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 Angela Mann, 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



Quarter 3 - Education Capital Budget forecast 2021-22

Appendix 1

Education - Sufficiency Schemes					
Number	Scheme	Current Approved Budget	Actual spend to date	Manager Forecast Spend	Forecast Variance
		£	£	£	£
8	Sufficiency Programme Phase Two 2015- 2017	11,084,864	10,701,307	11,084,864	0
9	Vanguard Centre	3,325,508	3,309,023	3,325,508	0
10	King Richard School Rebuild 900-1000 places	1,562,304	1,411,641	1,562,304	0
14	Secondary School Places Expansion Phase (1)	1,728,700	1,617,662	1,728,700	0
15	Special Education Needs - Building Alterations	2,841,560	2,607,582	2,841,560	0
17	Sufficiency of Secondary School Places	5,517,500	4,748,361	5,517,500	0
18	Future Secondary School Places	158,248	60,000	158,248	0
21	Schools Conditions Project 2018-19	1,577,390	1,568,506	1,577,390	0
22	Sufficiency of School Places 2018-19	11,343,507	10,379,719	11,343,507	0
23	Sufficiency of Special School Places - Redwood Park Academy	2,805,921	2,776,277	2,805,921	0
24	Sufficiency of Special School Places - The Willows Centre	520,000	507,848	520,000	0
25	Milton Childcare Sufficiency	69,784	69,784	69,784	0
26	Forest School at Foxes Forest - Community Accessible Education Centre	30,000	0	30,000	0
27	Early Year Places Provision	10,798	10,798	10,798	0
29	Additional Special School Places - The Lantern	1,134,308	1,148,668	1,148,668	14,360
30	Additional School Places in Mainstream Schools - Design	250,000	62,460	235,640	-14,360
31	Additional Secondary School Places - St Edmunds Catholic School - Grant	650,148	650,148	650,148	0
32	Additional School Places - 2020/21	2,200,000	222,044	1,854,616	-345,384
33	Sufficiency at Wymering Site Improvement	220,000	231,384	231,384	11,384
35	School Places - SEND Phase 1 & Phase 2	1,343,162	1,252,424	1,496,427	153,265
39	Accommodation for Special Education Needs (additional School Places)	7,941,734	1,352,652	8,122,489	180,735
	<b>TOTALS</b>	<b>56,315,436</b>	<b>44,687,286</b>	<b>56,315,436</b>	<b>0</b>

Education - Condition Schemes					
Number	Scheme	Current Approved Budget	Actual spend to date	Manager Forecast Spend	Forecast Variance
12	Schools Conditions Projects - Modernisation	1,427,519	1,422,623	1,427,519	0
13	School Conditions Project 2016-17 Total	878,000	871,955	878,000	0
19	School Conditions Project 2017-18	853,214	746,851	853,214	0
20	Beacon View Primary School - Kitchen Block	41,698	41,698	41,698	0
28	Maintained Schools - Urgent Conditions Projects	1,754,619	1,206,051	1,754,619	0
34	Wimbourne Amalgamation	87,000	77,261	87,000	0
36	Northern Parade Family Hub	25,000	19,627	25,000	0
38	Maintained Schools - Urgent Conditions Projects (2 year Planned Programme 2021/22 to 2022/23)	1,583,400	5,386	1,583,400	0
	<b>TOTALS</b>	<b>6,650,450</b>	<b>4,391,452</b>	<b>6,650,450</b>	<b>0</b>

Education - Other Schemes					
Number	Scheme	Current Approved Budget	Actual spend to date	Manager Forecast Spend	Forecast Variance
11	Universal Infant Free School Meal Works	889,342	889,342	889,342	0
16	Schools DFC Balances and devolved 2016-17	5,232,430	5,461,563	5,232,430	0
37	Replacement Education Case Mgmt System	1,250,000	4,526	1,250,000	0
	<b>TOTALS</b>	<b>7,371,772</b>	<b>6,355,431</b>	<b>7,371,772</b>	<b>0</b>
	<b>TOTALS</b>	<b>70,337,658</b>	<b>55,434,171</b>	<b>70,337,658</b>	<b>0</b>

# Agenda Item 4



**Portsmouth**  
CITY COUNCIL

**Title of meeting:** Cabinet Member for Children, Families and Education

**Date of meeting:** 16 March 2022

**Subject:** Dedicated Schools Grant 2021-22 Quarter 3 Budget Monitoring

**Report by:** Chris Ward Director of Finance

**Wards affected:** All

**Key decision:** Yes/No

**Full Council decision:** Yes/No

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## **1 Purpose of report**

- 1.1 The purpose of this report is to inform the Cabinet Member of the forecast outturn position of the Dedicated Schools Grant (DSG) as at the end of December 2021.

## **2 Recommendations**

- 2.1 It is recommended that The Cabinet Member:
- 2.1.1 Notes the forecast budget position for the Dedicated Schools Grant as at 31 December 2021, together with the associated explanations contained within this report.
- 2.1.2 Approves the budget adjustment to the Post-16 Element 3 Top-up by £12,000.

## **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 In February 2021, the Cabinet Member for Children, Families and Education approved, and Schools Forum endorsed, the Original DSG budget for the 2021-22 financial year. The budget was revised and subsequently endorsed by Schools Forum and approved by Cabinet Member in October 2021.
- 3.3 This report provides the Cabinet Member with the latest forecast estimate of the year-end outturn at 31 December 2021 as set out in Table 1 below.



<b>Table 1 - Dedicated Schools Grant</b>				
	<b>Original budget 2021-22 £000's</b>	<b>Revised Budget 2021-21 £000's</b>	<b>Projected outturn 2021-22 £000's</b>	<b>Projected over / (under) spend £000's</b>
<b>Income</b>				
DSG Brought forward 2020-21	0	(5,498)	(5,498)	0
DSG and other specific grants	<u>(78,791)</u>	<u>(77,792)</u>	<u>(77,449)</u>	<u>343</u>
<b>Total Income</b>	<b>(78,791)</b>	<b>(83,290)</b>	<b>(82,947)</b>	<b>343</b>
<b>Expenditure</b>				
<b>Schools block</b>				
Primary ISB	28,859	27,554	27,554	0
Secondary ISB	13,699	13,699	13,699	0
De-delegated and growth fund	<u>1,390</u>	<u>1,603</u>	<u>1,175</u>	<u>(428)</u>
<b>Total Schools block</b>	<b>43,947</b>	<b>42,856</b>	<b>42,427</b>	<b>(428)</b>
Central School Service	810	964	958	(6)
<b>Early Years block</b>				
Nursery ISB	11,587	11,587	11,587	0
Other Early Years	2,702	2,702	2,702	0
<b>High Needs block</b>				
High Needs ISB	967	1,006	891	(115)
Other High Needs cost	19,068	19,188	18,227	(960)
<b>Total Expenditure</b>	<b>79,081</b>	<b>78,302</b>	<b>76,792</b>	<b>(1,510)</b>
<b>DSG Carried forward</b>	<b>(290)</b>	<b>4,988</b>	<b>6,155</b>	<b>1,167</b>

- 3.4 Overall, the budget is forecast to underspend by £1.167m, the details of which are set out in the sections below.

#### **4 DSG funding changes**

- 4.1 In November 2021 the authority received an update to the Early Years block allocation for the 2020-21 financial year. This reflected the change in pupil numbers following the submission of the May 2021 census and compared to the January 2021 census. This reduced the early years allocation by £355,100, which has been offset against the 2020-21 carry forward as previously endorsed by Schools Forum and approved by the Cabinet Member.
- 4.2 There has been an increase of £12,000 for the High Needs Block following a successful challenge on the import/export numbers for pupils in post-16 settings.



It is proposed to update the budget, by increasing the DSG allocation and the Post-16 Element 3 Top-up expenditure budget by £12,000.

**5 Schools Block**

**De-delegated budgets and Growth Fund**

- 5.1 Following confirmation that there were no bulge years that required growth funding in September 2021, the planned underspend (£304,000) on the Growth Fund has been released for use in 2022-23 for the same purpose.
- 5.2 In May 2021, Schools Forum approved a payment to Manor Infant from the schools specific contingency budget. No further expenditure is expected from this budget in the current financial year and the underspend of £124,000 will be carried forward to 2022-23.

**6 Central Schools Services Block**

- 6.1 The small underspend relates follows confirmation of the licence costs purchased by the DfE for all publicly funded schools.

**7 Early Years Block**

- 7.1 At the end of the third quarter, the authority was still awaiting the impact of the autumn census, but whilst funding is likely to reduce in the region of £1.2m, this will not create a pressure on the Early Years budget as expenditure is expected to reduce by a similar amount.
- 7.2 Therefore, at this stage the Early Years block is forecast to be as per the original budget.
- 7.3 As in previous years any balance (surplus or deficit) on the early years block will be carried forward as part of the DSG balance to offset the further funding adjustment to the 2021-22 early years block in July 2022.

**8 High Needs Block**

- 8.1 Overall, the High Needs Block is set to underspend by 1.075m. Table 2 below summarises the forecast outturn position as at 31 December 2021.



<b>Table 2 High Needs Budget</b>			
	<b>Total 2021-22</b>		
	<b>2021-22 Revised Budget £</b>	<b>Forecast Outturn as at 31 Dec 2021 £</b>	<b>Variance (Under)/Over £</b>
Individual Schools Budgets	1,006,300	891,100	(115,200)
Element 3 Top up	13,359,600	12,566,000	(793,600)
Out of City providers	3,034,800	2,738,700	(296,100)
Permanent exclusion recharge	0	(7,400)	(7,400)
EYs Complex Needs Inclusion Fund	356,200	456,200	100,000
SEN support services	963,800	994,600	30,800
Medical Education	675,000	680,900	5,900
Outreach	191,900	191,900	0
Special School Teachers Pay and Pensions	546,200	546,200	0
Fair Access Protocol	60,000	60,000	0
<b>Total High Needs Block</b>	<b>20,193,800</b>	<b>19,118,200</b>	<b>(960,400)</b>

#### **Individual Schools Budget**

- 8.2 The authority budgeted to locally fund 34 additional Special School places for the summer term, the actual pupil numbers were 14 lower than budget. The budget was revised in October 2021 to take account of the changes in pupil numbers from September 2021. The budget revision contained a provision for an additional eight places which were being discussed with The Harbour School. Following the approval of the budget, confirmation was received that the eight places were no longer required. This has increased the underspend to £115,200.

#### **Element 3 Top-up**

- 8.3 The table below provides a breakdown of the Element 3 Top-up funding forecast position.

<b>Table 3 - Element 3 Top-up</b>			
	<b>Total 2021-22</b>		
	<b>2021-22 Revised Budget</b>	<b>Forecast Outturn as at 31-Dec-21</b>	<b>Variance (Under)/Over</b>
	<b>£</b>	<b>£</b>	<b>£</b>
EHCP Mainstream	2,735,300	2,393,800	(341,500)
Element 3 Top Up Special Schools	8,721,900	8,345,200	(376,700)
Element 3 Top Up - Inclusion Centres	354,900	350,600	(4,300)
Element 3 Top Up - AP	263,700	163,100	(100,600)
Post 16 Special Educational Needs	904,000	933,500	29,500
Element 3 Top Up - OLA School	379,800	379,800	0
<b>Total Element 3 Top-up</b>	<b>13,359,600</b>	<b>12,566,000</b>	<b>(793,600)</b>





- 8.4 Due to the pandemic and previous lock downs this has inevitably had an impact on the number of assessments that might have taken place to determine if an Education, Health and Care Plan should be put in place for a child and is a major factor for why the numbers of EHCPs have been increasing at a lower rate than previously budgeted. As we emerge out of the pandemic, we anticipate that the number of EHCPs will therefore increase at a faster rate than previous years.
- 8.5 The overall forecast position reflects that the number of pupils in receipt of Element 3 top-up funding is lower than budget for the summer term. When setting the budget, pupil numbers were increased in line with previous year's growth, but whilst the actual numbers of Education Health and Care Plans (EHCP) are increasing over the autumn, it is at a lower rate than budgeted, leading to the forecast underspend.
- 8.6 When setting the 2021-22 budget for pupils in mainstream schools with an EHCP, pupil numbers at the start of April 2021 were expected to grow throughout the year in line with the growth in 2019-20 and 2020-21. Actual pupil numbers at the end of December 2021 were 650, an increase of 44 over the third quarter of the financial year. The forecast also includes estimated costs for a further 38 pupils over the remainder of the financial year, where EHCP assessments are in progress but not yet completed.
- 8.7 The Special School underspend (£376,600) reflects the 44 pupils placed in Portsmouth Special Schools by other local authorities for which Portsmouth is not responsible for paying the Element 3 Top-up, plus the associated Element 3 Top-up related to the additional places budgeted at the Harbour School that were not commissioned.
- 8.8 There is a small underspend projected for the Inclusion Centres as the numbers of pupils attending is slightly lower than budgeted, but this is offset by pupils being put on bands higher than budgeted.
- 8.9 The Alternative Provision budget is projected to underspend by £100,600 due to the authority placing less pupils than budgeted.
- 8.10 The September 2021 in-take of Post 16 pupils has been agreed and finalised with colleges following confirmation of pupil destinations. A forecast overspend of £29,500 reflects the net position which includes an increase in pupil numbers from the 2020-21 academic year (27) and a decrease in average cost per pupil.
- Out of City Placements**
- 8.11 As at the end of the third quarter, the Out of City budget is forecasting an underspend of £296,100. The total budget consists of placements in Independent and Specialist providers and those at Child and Adolescent Mental Health Service (CAMHS). The table below provides a breakdown of the forecast position.

<b>Table 4: Out of City Placements</b>						
	<b>Budget</b>		<b>Forecast position</b>		<b>Variance</b>	
	<b>£,000</b>	<b>Pupils</b>	<b>£,000</b>	<b>Pupils</b>	<b>£,000</b>	<b>Pupils</b>
Independent & Specialist providers	2,992	47	2,726	46	(266)	(1)
CAMHS	43	7	13	1	(30)	(6)
<b>Total</b>	<b>3,035</b>	<b>54</b>	<b>2,739</b>	<b>47</b>	<b>(296)</b>	<b>(7)</b>

8.12 The forecast includes several pupil movements in Independent and Specialist Providers, but the budget is still expected to underspend in 2021/22.

8.13 There is no change to the forecast cost related to those pupils in CAMHS placements.

8.14 It should be noted that there remain a few new placements within the forecast (based on average cost) where the funding has not been finalised, therefore the forecast position may change as the placements are finalised.

#### **Early Years complex needs inclusion Fund**

8.15 The forecast overspend (£100,000) includes funding for 158 pupils where funding has been agreed to the end of the financial year, plus a provision for a further 17 new pupils for the spring term 2022.

#### **SEND Support services**

8.16 The £30,800 overspend relates to increased costs associated with the Sensory Impairment and Portage plus teams.

### **9 Carry forward balance**

9.1 As at the end of December 2021, the carry forward balance is projected to be £6.1m, but there remains uncertainty regarding the DSG Early Years Funding allocation adjustments, High Needs pupil numbers and increased levels of need for the spring term, which could have an impact on the balance.

9.2 In reporting the 2022-23 budget proposals, the authority set out the revenue impact of the planned increase in the numbers of high needs places which are required over a three year period. Along with a proposal to retain a 1% contingency to manage future in-year pressures.

9.3 The table below provides a breakdown of the movement on the carry forward balance from 1 April and future commitments against the balance.



<b>Table 5 - Estimated 2021-22 Carry forward</b>		
	<b>£m</b>	<b>£m</b>
Forecast carry forward as of 31 December 2021		6.143
<b>Impact of decisions on 2021-22 carry forward</b>		
Schools specific contingency	(0.124)	
Carry forward of Growth Fund balance	(0.304)	(0.428)
<b>Sub total</b>		<b>5.715</b>
Revenue implications of High Needs places for future years	(2.040)	
Contingency to manage in-year pressures	(1.826)	(3.866)
<b>Forecast carry forward available for use</b>		<b>1.849</b>

## **10 Reasons for recommendations**

- 10.1 It is recommended that the Cabinet Member notes the contents of the report in respect of the forecast outturn for 2021-22 as at the end of the December 2021.

## **11 Integrated impact assessment**

- 11.1 An integrated impact assessment is not required as the recommendations do not have a positive or negative impact on communities and safety, regeneration and culture, environment and public space or equality and diversity.

## **12 Legal implications**

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

## **13 Director of Finance's comments**

- 13.1 Financial comments and implications are included in the body of this report.

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Signed by: Chris Ward, Director of Finance and Resources

## **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:

<b>Title of document</b>	<b>Location</b>
School and Early Years Finance (England) Regulations 2021	<u>The School and Early Years Finance (England) Regulations 2021</u>

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

.....  
Signed by: **Chris Ward Director of Finance**

# Agenda Item 5



**Title of meeting:** Children, Families and Education portfolio meeting

**Date of meeting:** 16 March 2022

**Subject:** Update on the Education Capital Programme

**Report from:** Sarah Daly, Director of Children, Families and Education

**Report by:** Alison Critchley, Head of Sufficiency & Resources

**Wards affected:** All

**Key decision:** ~~Yes~~/No

**Full Council decision:** ~~Yes~~/No

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## 1. Purpose of report

- 1.1 To update the Cabinet Member on the implementation of the education capital programme.

## 2. Recommendations

- 2.1 To note the progress on the 'Accommodation for Special Educational Needs' (additional specialist school places) projects
- 2.2 To note that the council has received a SEND Capital grant of £1.18m in 2021/21
- 2.3 To note the Special Educational Needs schemes agreed with the Lead Member since the last report
- 2.4 To note progress on the secondary sufficiency schemes
- 2.5 To note progress on the urgent school condition projects for LA Maintained schools.
- 2.6 To note that the DfE has announced a further round of the school rebuilding programme for which the council will be submitting a bid
- 2.7 To note progress with the placement of the education case management system project.

### 3. Background

#### 3.1 SEND Accommodation Strategy

- 3.1.1 As part of the 2021-22 capital programme the council agreed on 9 February 2021 to add £3.5m to the funding for "Accommodation for Special Educational Needs" (additional specialist school places) to create additional places for children with Special Educational Needs and Disabilities (SEND) in special schools and inclusion centres attached to mainstream schools.
- 3.1.2 In March 2021 the decision was taken to allocate the funding as set out below (for full details see attached [report](#) )
- An Inclusion Centre on a mainstream primary school site (Penhale Infant School).
  - Expansion of Flying Bull Inclusion Centre (Alternative Provision)
  - Capital inclusion grants of £100,000 per year to support inclusion in mainstream schools.
  - Expansion of Cliffdale Primary Academy
  - Changes at Redwood Park Academy to accommodate Year 6 pupils.
- 3.1.3 In recent months we have seen the initial quotes for building work coming back at significantly higher rates, which reflect a range of factors relating to the pandemic, Brexit, and more recently to the increase in energy prices. In more positive news, we have received a SEND capital grant of £1.18m in 2021/22 which will be used to support the SEND capital projects. In addition, we have undertaken work to review and in some cases scale back the original plans to ensure that the work is completed within the budget available.
- 3.1.4 Phase 1 of the **Inclusion Centre at Penhale Infant School** has been completed. The Rainbow Fish Inclusion Centre opened with an initial 8 places in September 2021, a further 8 places will be provided from September 2022.
- 3.1.5 The council is currently working with the Thinking Schools Academy Trust (TSAT) to modify the original proposals for Phase 2 and enable the overall project, including the creation of inclusion provision for pupils in Years 5 - 11 to be established at The Portsmouth Academy, to be delivered within budget.
- 3.1.6 Funding has been allocated to expand the existing **Inclusion Centre at Flying Bull Academy** (Alternative Provision). The expanded Inclusion Centre will provide an additional 8 places in the 2022/23 school year and further 8 more places from September 2023, taking the total capacity on the centre to 32 places in total.
- 3.1.7 Funding has also been allocated to **capital inclusion grants** from the 2020 to 2021 capital programme. The grants of up to £10,000 have been allocated



to 11 Portsmouth Schools to enable these schools to make adaptations to support children with SEND in mainstream schools. These adaptations include developments such as building nurture spaces and sensory rooms.

- 3.1.8 We are planning to spend up to £50,000 to support additional capital inclusion projects for up to five Portsmouth mainstream schools from the 2021 to 2022 programme.
- 3.1.9 Work is also proceeding at **Cliffdale Primary Academy** to enable the school to accommodate an additional 5-8 pupils from September 2022.
- 3.1.10 The council had originally planned for further extensive works at Cliffdale and Redwood Park Academies across 2023/24 and 2024/25 school years. However, the increased costs for the later phases of the schemes are no longer affordable within the available funding. We will therefore be working with Solent Academies Trust to review the priorities for investment to both increase capacities and to address condition issues. Once this work is completed we will consider potential funding options (considering both DfE funding and future council capital rounds).
- 3.1.11 Work is also progressing on plans for **Inclusion Centre at Arundel Court**. The Centre will eventually take 24 children, with the first 8 pupils starting September 2023.

## 3.2 Secondary Sufficiency Schemes

- 3.2.1 The current capital programme includes a budget for future secondary expansion schemes ("scheme 18") and for future primary and secondary expansion schemes ("scheme 30"). Current forecasts are that the number of primary age children will decrease over the next 4-5 years and therefore we do not anticipate that we will need funding for schemes to create additional primary places.
- 3.2.2 At this time we estimate that we will only just have enough places for all of the year 7 pupils we are expecting to start in secondary school in September 2022. The surplus capacity that we do have is largely concentrated in the north of the city at Castle View Academy.
- 3.2.3 To support secondary placement capacity we are proceeding with a scheme at Miltoncross Academy to improve external areas and provide additional outdoor spaces which will enable the school admit up to an additional 10 pupils per year in September 2023 and 20 pupils per year from September 2024.
- 3.2.4 We have also commissioned a feasibility study at Priory School to explore the possibility of converting changing room facilities into to a multi-purpose teaching space to accommodate 25 pupils that would be used to create an NHS independent learning area that would help inform and prepare pupils for

a range of careers with the NHS. Should the project go ahead it would enable Priory School to increase their Published Admissions Number (PAN) and admit up to an additional 15 pupils per year.

### **3.3 Progress on urgent condition works**

- 3.3.1 A budget of £1,583,400 over a 2 year period is available to address school urgent condition needs. As with the other building projects, the tenders for work are coming back at much higher costs than originally expected. The work is therefore being prioritised to ensure that we remain within our overall budget.
- 3.3.2 The first two projects, the replacement of the oil-based heating system at Portsdown Primary School (estimated cost £475,000) and Cumberland Infant School phase 2 heating improvements (estimated cost £100,000) are in progress.
- 3.3.3 A decision on the timing of the boiler replacement project at Medina Primary School (estimated cost £475, 000) and whether it will be carried out in one for two phases will be made once we have cost certainty on the Portsdown and Medina Primary School projects.
- 3.3.4 Further condition survey work is on hold until we are clearer about affordability.

### **3.4 Bids to the DfE school rebuilding programme**

- 3.4.1 The DfE have announced a further round of their School Rebuilding Programme through which the responsible body (local authorities for maintained schools and Academy Trusts for Academies) can nominate school buildings or blocks of at least 1200m<sup>2</sup> to be considered. There is also scope for responsible bodies to identify "exceptional cases" where the building is at risk of imminent closure. Portsmouth City Council will be submitting a bid by 3<sup>rd</sup> March 2022.

### **3.5 Replacement of the Education Case Management System**

- 3.5.1 The 2021 capital programme included £1.25m to support the introduction of a replacement education case management system (currently Capita ONE). Following a procurement exercise we expect to be able to identify a preferred bidder in March 2022 and enter into a contract in April 2022.



#### **4. Reasons for recommendations**

- 4.1 The projects outlined above will help ensure that we are able to continue to provide sufficient high quality places for children with SEND in a cost effective way.
- 4.2 The secondary sufficiency work will ensure that there are enough local places for all secondary places as the bulge in pupil numbers fully affects secondary schools.

#### **5. Integrated impact assessment**

- 5.1 The implementation of these projects will not have a negative impact on any of the areas of equality of diversity, community safety, regeneration and culture or environment and public space.
- 5.2 The implementation of the SEND accommodation strategy in particular will improve access to schools for pupils with learning difficulties and/or disabilities. The development of inclusion centres will increase the opportunities for these children to interact with their peers in mainstream provision where appropriate bringing benefits to children in inclusion units and mainstream.

#### **6. Legal implications**

- 6.1 The recommendations identified within this report will assist the council in ensuring compliance with its statutory powers and duties, which includes the following:
  - Statutory duties for children and young people with specialist educational needs and disabilities set out in the Children and Families Act 2014, including the duty to ensure children with SEND have their needs met and keeping under review the educational, training and social care provision for children and young people who have SEND as well as considering the extent to which the provision is sufficient to meet need.
  - A statutory duty to secure that efficient primary and secondary education is available to meet the needs of the population in its area under section 13 of the Education Act 1996 and 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.
  - An obligation to ensure school premises maintained to a prescribed standard in accordance with section 542 of the Education Act 1996 and the School Premises (England) regulations 2021.

- 6.2 The recommendations contained in this report are within the Cabinet Members powers, as set out in Part of the Council's constitution.

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

- 7.1 The finance monitoring of the capital programme is reported within the quarterly budget monitoring report. The quarter 3 monitoring report has been brought to this meeting and sets out the position of the capital programme as at the end of December 2021
- 7.2 It should be noted that the current economic climate is increasing the costs of capital works and recent tenders have indicated that costs are approximately 50% higher than the original estimate. The Education Department is working closely with the Design service, Architects, contractors, and schools to manage costs down and reviewing current and planned schemes to re-prioritise and identify funding to ensure that critical sufficiency works are completed. Cash limit revenue funding will need to be identified for feasibility costs for any schemes which are not progressed.
- 7.3 For condition projects schools are expected to use their Devolved Formula Capital (DFC) allocations to support these key priorities, in keeping with the government expectations of the use of this funding. The expected contributions from schools' will be based on the agreed contribution of methodology.
- 7.4 Any revenue implications will need to be factored into the Growth Fund (if applicable) or be met by the individual schools through their individual budgets which are funded from Dedicated School Grant (DSG).

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Signed by: **Sarah Daly, Director of Children, Families and Education**

## **Appendices:**

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

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