

Decision maker:	Cabinet Member for Education
Subject:	Education Portfolio Budget Monitoring Report for the Second Quarter 2016/17
Date of decision:	15 December 2016
Report from:	Chris Ward, Director of Finance and Section 151 Officer
Report by:	Richard Webb, Finance Manager
Wards affected:	All
Key decision:	No
Budget & policy framework decision:	No

1. Purpose of report

- 1.1.** To inform the Cabinet Member of the projected revenue cash limit expenditure within the portfolio cash limit and capital programme for the current financial year 2016-17. This report sets out the budget position and contributing factors to the projected overspend within the portfolio as at the end of September 2016.

2. Summary

- 2.1.** The current forecast is for the total portfolio to overspend by £76,000 in excess of the approved revenue cash limit. Expected pressures on school transport are currently partially offset by staffing savings from vacant posts and additional income. Opportunities to bring the forecast spending in line with the budget will be sought during the remainder of the year. The capital programme is forecasting a small overspend of £2,300 on the approved capital budget.

3 Recommendations

- 3.1** It is recommended that the Cabinet Member notes the Education Portfolio forecast revenue and capital budget positions, at the end of September 2016 together with the variance and pressure explanations.

4 Summary Position against Cash Limited Budget at the end of June 2016

- 4.1 At the commencement of the financial year 2016-17 the Education Portfolio was created following the separation from Children's Social Care and Safeguarding.
- 4.2 Under the approved financial arrangements, overspends and underspends are carried forward by the portfolio into the following financial year, as portfolio's are now expected to manage their financial resources across financial years in order to encourage medium term operational and financial planning. However, for this portfolio any balances from prior years have been subsumed corporately to provide a zero balance starting point for the new portfolio.
- 4.3 At the end of the second quarter an overspend of £76k is currently forecast for the financial year as shown in the table below.

Service Area	Current Budget	Current Forecast	Variation
	£000	£000	£000
Senior Management	294	344	50
School Improvement	772	676	-96
Inclusion Support	3,746	3,991	245
Sufficiency, Participation & Support	1,012	889	-123
	5,824	5,900	76

The forecast variances to budget are explained further below.

- 4.4 **Senior Management** (£50,000 overspend): arrangements involved in the re-creation of a Director of Children's Services post and supporting staff still requires some redirection of budget resources.
- 4.5 **School Improvement** (£96,000 underspend): difficulties in recruitment, turnover of staff and the holding of some posts vacant, has meant staffing costs in this area are currently forecast at £271,000 below budget with other minor forecast savings of £5,000. Of this overall saving, it is currently anticipated that about £180,000 will be directed towards the new arrangements being developed to deliver school improvement activities.
- 4.6 **Inclusion Support** (£245,000 overspend): home to school transport provides perennial budget pressures and the current forecast is for an overspend in the region of £162,000. However this projection is based on contracts and numbers in existence at the beginning of the year and the impact of new academic year changes are currently being evaluated. Further pressures result from a reduced income forecast of £33,000 for school attendance fines following the high profile case on the Isle of Wight and additional staffing costs partially caused by the use of agency cover.
- 4.7 **Sufficiency, Participation and Support** (£123,000 underspend): staff vacancies and turnover, including the delayed appointment of the Head of Service, are resulting in an underspend in this area.

5 Capital Programme

- 5.1 Attached at Appendix 1 is the current capital budget monitoring position in respect of all schemes in the capital programme for Children and Education which was approved by Council in 9th February 2016. The current approved budget incorporates approved variations of £102,400 reflecting school capital contributions towards condition and modernisation works.
- 5.2 Overall the programme is currently forecasting a very slight variance of £2,300 overspend on the approved budget of £75.007m.
- 5.3 Increased scheme costs arising from unanticipated requirements associated with specific building issues and conditions have been broadly accommodated by reductions in Sufficiency Programme Phase 2 plans, whilst in two instances reduced funding has been matched by a reduction in scheme costs.

6 Summary

- 6.1 The portfolio budget is currently forecast to overspend. Within this there are significant variations in Transport provision and the way education improvement support services are provided. These are partially offset by in year savings against staffing budgets due to vacancies and turnover. Opportunities to reduce this forecast to allocated budget level will continue to be sought.
- 6.2 The capital programme is forecasting a very small overspend of £2,300.

7 Equality impact assessment (EIA)

- 7.1 No impact assessment has been carried out as the proposals do not have any impact upon a particular equalities group.

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 Sept 16	Manager Forecast Spend	Forecast Variance
		£	£	£	£
1	Primary Capital Programme	15,768,600	15,232,800	15,947,000	178,400
2	Victory School	10,209,500	10,197,900	10,214,300	4,800
3	Sufficiency Programme Phase One 2013- 2015	6,511,300	6,178,800	6,555,800	44,500
4	Sufficiency Programme Phase Two 2015- 2017	10,104,200	2,007,900	9,865,100	-239,100
5	Secondary School Feasibility Study	150,000	43,400	150,000	0
6	Temporary Accommodation	312,900	328,000	329,100	16,200
7	Vanguard Centre	2,500,000	475,300	2,500,000	0
8	King Richard School Rebuild 900-1000 places	1,985,500	1,354,200	1,685,500	-300,000
8	Loss of HRA funding for the sports part of this project			300,000	300,000
9	Portsmouth College Sufficiency Post 16	244,000	243,200	244,000	0
10	Schools Devolved Formula Capital 2010-17	9,875,400	9,261,800	9,875,400	0
11	Adaptations to Foster Carer Properties	195,000	85,700	195,000	0
12	Universal Infant Free School Meal Works	791,000	790,700	793,300	2,300
13	Universal Infant Free School Meal Provision	628,700	593,100	628,700	0
14	Salix	108,300	71,000	71,100	-37,200
14	Salix loan for redwood School no longer being pursued			37,200	37,200
15	St Edmunds SI Provision	537,000	478,300	488,200	-48,800
16	Access SEN Pupils	277,400	248,000	278,000	600
17	ALN Lift Repairs	42,200	41,100	42,200	0
18	Mayfield East Field	800	2,800	800	0
19	Schools Conditions Projects - Modernisation 2015-16	1,463,200	1,232,900	1,500,200	37,000
20	School Condition Projects 2014-2016	2,970,500	2,727,200	2,988,200	17,700
21	King Richard - Contingency re Condition Issues	219,800	219,800	219,800	0
22	Electrical Distribution Boards - Various Schools	90,900	90,900	90,900	0
23	Cliffdale - Boilers/Heating System	340,500	340,500	340,500	0
24	Fluorescent Light	235,800	235,800	235,800	0
25	King Richard Legionella Control	172,700	172,700	172,700	0
26	City Boys Legionella Control	36,400	36,400	36,400	0
27	City Boys ASC Provision	7,500	7,500	7,500	0
28	Wimborne Junior Boilers & Heating System	377,700	377,700	377,700	0
29	Paulsgrove Primary Structural Repairs	43,100	43,100	43,100	0
30	Meon Junior Emergency Lighting	46,100	46,100	46,100	0
31	City Boys Concrete Panel Replacement	343,600	343,600	343,600	0
32	Court Lane Junior Legionella Works	191,600	191,600	191,600	0
33	Gatcombe Park Primary Window Replacement	35,600	35,600	35,600	0
34	Highbury Primary Replacement Boiler & Heating (Design Only)	11,200	11,200	11,200	0
35	Arundel Court Federation Legionella	1,800	1,800	1,800	0
36	Cottage Grove Flat Roof Replacement	81,200	81,200	81,200	0
37	Cumberland Infant Installation of Emergency Lighting	45,400	45,400	45,400	0
38	Langstone Infant Asbestos in Boiler Room	2,400	2,400	2,400	0
39	Moorings Way Replace Electrical Distribution Boards	33,600	33,600	33,600	0
40	Arundel Court Foyer	80,500	80,500	80,500	0
41	Meredith Annexe (Urgent H&S)	6,100	6,100	6,100	0
42	Newbridge School Servery (Urgent H&S)	25,200	25,200	25,200	0
43	Harbour @ Fratton Condition Works	7,900	7,900	7,900	0
44	City Boys Science Block Roof Replacement	110,800	110,800	110,800	0
45	Moorings Way Replace Flat Roofs	54,800	54,800	54,800	0
46	Manor Infant Classroom remodel	15,000	15,000	15,000	0
47	Mayfield School Kitchen Feasibility Study	5,000	5,000	5,000	0
48	Harbour School Relocation Feasibility Study	10,000	10,000	10,000	0
49	Southsea Infant Boiler Replacement	25,700	25,700	25,700	0
50	Newbridge Junior Clinic Roof	8,100	8,100	8,100	0
51	Stamshaw Junior Fencing and Security Improvements	26,300	26,300	26,300	0
52	Portsdown Primary Emergency Lighting	35,800	39,600	39,600	3,800



Number	Scheme	Current Approved Budget	Actual spend to Sept 16	Manager Forecast Spend	Forecast Variance
53	Meredith Infant Boiler Controls	17,400	17,400	17,400	0
54	Redwood Park Water Main Replacement	33,400	33,400	33,400	0
55	College Park Boiler Controls	7,800	7,800	7,800	0
56	Westover School Water Ingress	11,300	11,300	11,300	0
57	School Conditions Project 2016/17	1,033,500	501,200	1,018,400	-15,100
58	Secondary School Places Expansion Phase (1)	1,500,000	7,700	1,500,000	0
59	Secondary School Places Expansion (2)	1,800,000	0	1,800,000	0
60	Special Education Needs - Building Alterations	3,200,000	24,300	3,200,000	0
	TOTALS	75,007,000	54,929,100	75,009,300	2,300