

Title of Meeting:	Cabinet Member for Education	
Date of Meeting:	11 th September 2018	
Subject:	Education Portfolio Budget Monitoring Report for the First Quarter 2018/19	
Report from:	Chris Ward, Director of Finance and Section 151 Officer	
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 2018-19. This report sets out the budget position and contributing factors to the projected spend within the portfolio as at the end of June 2018.

2. Summary

- 2.1.** The current forecast is for the total portfolio spending to be £414,000 in excess of the revenue budget provision. This arises from expected pressures on school transport, additional agency and staffing costs and pressures on income levels. The capital programme is currently forecasting an underspend of £391,000 on the approved capital budget of £86.7m.

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 2018, together with the variance and pressure explanations.

4 Summary Position against Cash Limited Budget at the end of June 2018

- 4.1 The service commenced the year with a portfolio reserve of £437,000 against which there are approved and actioned commitments of £210,000. The remaining £227,000 is currently intended to contribute towards potential pressures during 2018/19.
- 4.2 At the end of the first quarter an overspend of £414,000 is currently forecast for the financial year as shown in the table below.

Service Area	Current Budget	Current Forecast	Variation
	£000	£000	£000
Senior Management	-9	-13	-4
School Improvement	374	389	15
Inclusion Support	4,156	4,590	434
Sufficiency, Participation & Support	1,077	1,046	-31
	5,598	6,012	414

The forecast variances to budget are explained further below.

- 4.3 **Senior Management** (£4,000 underspend): Staffing costs are currently anticipated to be slightly below budget provision as a result of minor variations in pay rates.
- 4.4 **School Improvement** (£15,000 overspend): this relates to both staffing and operational costs currently anticipated to exceed budget.
- 4.5 **Inclusion Support** (£434,000 overspend): home to school transport provides perennial budget pressures and the current forecast is for an overspend in the region of £376,000. A small number of very high cost pupils are increasing the projected overspend. Work is currently being undertaken to arrange contracts for the new academic year, including the identification of potential areas for cost efficiencies where possible. Forecasts will become clearer once these new contracts are in place. Additional staffing requirements to support children with disabilities and special educational needs have increased the budget pressure.
- 4.6 **Sufficiency, Participation and Support** (£31,000 underspend): Vacancies within the early part of the year within the business and partnerships and careers advice teams have generated a budget underspend; however, these posts have now been recruited to.

5 Capital Programme

- 5.1 Attached at Appendix 1 is the current capital budget monitoring position in respect of all schemes in the capital programme for Education, which was approved by Council in 13th February 2018.
- 5.2 Current spending at £56m is some £30.5m 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 £391,000 against total approved funding of £86.715m. 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 £0.4m, although the Portfolio reserve will partially mitigate this. The most significant variation is Transport provision, with some minor in year savings against staffing budgets are reducing the forecast deficit position slightly. 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 Beverley Pennekett, Finance Manager, if required.

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

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Signed by: Cabinet Member

Appendicies:

Appendix 1 - Children and Education Capital Budgets



Children and Education Capital Budgets

APPENDIX 1

Number	Scheme	Current Approved Budget	Actual spend to Jun-18	Forecast Spend	Forecast Variance	Explanation
		£	£	£	£	
1	Primary Capital Programme	15,922,000	15,841,900	15,758,900	-163,100	Savings in scheme costs and unneeded contingency provision. Anticipated that this will be redirected towards other school sufficiency schemes.
2	Victory School	10,197,900	10,197,900	10,197,900	0	
3	Sufficiency Programme Phase One 2013- 2015	6,549,800	6,289,100	6,549,800	0	
4	Sufficiency Programme Phase Two 2015- 2017	10,954,200	6,952,800	10,772,000	-182,200	Savings in scheme costs and unneeded contingency provision. Anticipated that this will be redirected towards other school sufficiency schemes.
5	Secondary School Feasibility Study	150,000	97,600	150,000	0	
6	Temporary Accommodation	333,100	358,000	358,000	24,900	temporary accommodation requirements at Langstone school
7	Vanguard Centre	3,270,600	1,711,500	3,270,600	0	
8	King Richard School Rebuild 900-1000 places	1,685,500	1,391,400	1,685,500	0	
9	Portsmouth College Sufficiency Post 16	246,000	245,900	245,900	-100	
10	Universal Infant Free School Meal Works	891,600	889,200	892,700	1,100	
11	Universal Infant Free School Meal Provision	628,700	593,400	628,700	0	
12	Salix	82,500	80,400	82,500	0	
13	St Edmunds SI Provision	507,300	507,300	507,300	0	
14	Access SEN Pupils	283,200	290,600	286,800	3,600	Additional signage and paving requirements to facilitate usage by sensory impaired students.
15	ALN Lift Repairs	42,200	41,100	42,200	0	
16	Schools Conditions Projects - Modernisation	1,489,200	1,422,500	1,468,100	-21,100	minor savings on variety of schemes
17	School Condition Projects 2014-2016	2,845,000	2,690,200	2,831,200	-13,800	
18	School Conditions Project 2016 - 17	1,001,400	862,800	1,000,900	-500	
19	Secondary School Places Expansion Phase (1)	1,652,000	1,589,800	1,611,700	-40,300	scheme savings and unallocated contingencies.
20	Special Education Needs - Building Alterations	3,191,600	469,800	3,191,600	0	
21	Schools Devolved Formula Capital 2016-17	2,954,500	2,645,400	2,954,500	0	
22	Sufficiency of Secondary School Places	5,350,000	335,300	5,350,000	0	
23	Future Secondary School Places Feasibility	120,000	107,300	120,000	0	
24	School Condition 2017-18	1,155,500	493,000	1,155,500	0	contingency usage in later year
25	Beacon View - Kitchen Block	45,000	39,300	45,000	0	
26	School Condition 2018-19	1,100,000	27,400	1,100,000	0	
27	Sufficiency of School Places 2018-19	10,237,800	61,400	10,237,800	0	current project approvals being revisited
28	Special School Places - Redwood Park	3,053,700		3,053,700	0	
29	Special School Places - Willows	400,000		400,000	0	
30	Milton Childcare Sufficiency	250,000		250,000	0	
31	Forest School - Community Accessible Education	125,000		125,000	0	scheme to be designed
TOTALS		86,715,300	56,232,300	86,323,800	-391,500	