

Title of Meeting: Cabinet Member for Education

Date of Meeting: 21st November 2018

Subject: Education Portfolio Budget Monitoring Report for the Second 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 financial position for the portfolio revenue cash limit and capital programme for the current financial year 2018-19. This report sets out the budget position and contributing factors to the projected spend within the portfolio as at the end of September 2018.

2. Summary

- 2.1.** The current forecast is for the total portfolio spending to be £248,000 in excess of the revenue budget provision. Expected pressures on school transport are currently partially offset by staffing savings from vacant posts, staff turnover and a small operational underspend. The capital programme is currently forecasting a small underspend of £79,000 on the approved capital budget of £86.9m.

3 Recommendations

- 3.1** It is recommended that the Cabinet Member notes the Education Portfolio forecast revenue and capital budget positions, as at the end of September 2018, together with the variance and pressure explanations.

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

- 4.1 The service commenced the year with a portfolio reserve of £437,000 against which there are approved and actioned commitments of £216,000. The remaining £221,000 is currently intended to contribute towards potential pressures during 2018/19.
- 4.2 At the end of the second quarter an overspend of £248,000 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	-64	-61	3
School Improvement	380	351	-29
Inclusion Support	3,991	4,338	347
Sufficiency, Participation & Support	1,077	1,003	-73
	5,383	5,631	248

This projected overspend is a reduction in that identified at the end of Quarter 1 and the forecast variances to budget are explained further below.

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- 4.3 **Senior Management** (£3,000 overspend): Operational costs are currently anticipated to be slightly above budget.
- 4.4 **School Improvement** (£29,000 underspend): this relates to both a change in the school improvement contract arrangements and increased levels of traded income.
- 4.5 **Inclusion Support** (£347,000 overspend): home to school transport provides perennial budget pressures and the current forecast is for an overspend in the region of £377,000. This forecast is updated to reflect the impact of new academic year contracts, and include the identification of potential areas for cost efficiencies where possible, which is usually available in early November. The service is also expecting staffing underspends of around £30,000 arising from staff turnover and vacancy management.
- 4.6 **Sufficiency, Participation and Support** (£73,000 underspend): Vacancies within the service teams during the early part of the year have generated a budget underspend; most of these posts have now been recruited to. This has been accompanied by income levels that exceed the current budgeted levels, particularly in respect of the music service.

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 £58.2m is some £30.7m 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 small underspend of £79,000 against total approved funding of £86.889m. 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 £0.2m, although the Portfolio reserve will mostly 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 on

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Signed by: Cabinet Member



Children and Education Capital Budgets

APPENDIX 1

Number	Scheme	Current Approved Budget	Actual spend to Sep-18	Forecast Spend	Forecast Variance	Explanation
		£	£	£	£	
1	Primary Capital Programme	15,922,000	15,841,900	15,857,200	-64,800	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	11,024,800	7,817,700	10,907,700	-117,100	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	2,226,100	3,259,100	-11,500	
8	King Richard School Rebuild 900-1000 places	1,685,500	1,399,700	1,712,100	26,600	
9	Portsmouth College Sufficiency Post 16	246,000	245,900	263,300	17,300	
10	Universal Infant Free School Meal Works	891,600	889,200	892,800	1,200	
11	Universal Infant Free School Meal Provision	628,700	593,400	628,700	0	
12	Salix	124,200	80,400	124,200	0	
13	St Edmunds SI Provision	507,300	507,300	557,300	50,000	
14	Access SEN Pupils	283,200	290,600	288,300	5,100	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	1,476,900	-12,300	minor savings on variety of schemes
17	School Condition Projects 2014-2016	2,845,000	2,695,500	2,846,400	1,400	
18	School Conditions Project 2016 - 17	1,001,400	862,800	1,001,400	0	
19	Secondary School Places Expansion Phase (1)	1,652,000	1,589,800	1,632,500	-19,500	scheme savings and unallocated contingencies.
20	Special Education Needs - Building Alterations	3,191,600	634,400	3,211,000	19,400	
21	Schools Devolved Formula Capital 2016-17	2,883,800	2,824,300	2,883,800	0	
22	Sufficiency of Secondary School Places	5,482,500	398,800	5,482,500	0	
23	Future Secondar School Places Feasibility	120,000	110,500	120,000	0	
24	School Condition 2017-18	1,155,500	555,000	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	153,900	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		86,889,400	58,224,100	86,810,100	-79,300	