

Title of Meeting:	Cabinet Member for Education
Date of Meeting:	16 th January 2020
Subject:	Education Portfolio Budget Monitoring Report for the Second Quarter 2019/20
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 2019/20. This report sets out the budget position and contributing factors to the projected spend within the portfolio as at the end of September 2019.

2. Summary

- 2.1. The current forecast is for the total portfolio spending to be £366,700 in excess of the revenue budget provision. There are significant pressures on school transport that are currently partially offset by staffing savings from vacant posts, staff turnover and an operational underspend. The capital programme is currently forecasting a small underspend of £21,500 on the approved capital budget of £89.4m.

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 2019, together with the variance and pressure explanations.

4 Summary Position against Cash Limited Budget at the end of September 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. With the current forecast, this would leave a further £247,000 that would not be funded by reserves to be carried forward into the new financial year.
- 4.2 At the end of the second quarter an overspend of £367,000 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	-87	-6
School Improvement	707	708	1
Inclusion Support	3,797	4,216	419
Sufficiency, Participation & Resources	779	776	-3
Early Help and Prevention	227	165	-62
Total Education Directorate	5,430	5,779	349
PCMI	31	50	19
Community Learning	0	0	0
Youth & Play Shared Services with the HRA	76	74	-2
Total Education Portfolio	5,537	5,904	367

*Numbers are subject to rounding and may not add up exactly

This projected overspend is an increase of £30,000 compared to Quarter 1 and the forecast variances to budget are explained further below.

- 4.3 **Strategic Services** (£6,000 underspend): Staffing costs are currently projected to be slightly below budget.
- 4.4 **School Improvement** (£1,000 overspend): An overspend in the Ethnic Minority Achievement Service (EMAS) has been largely offset by underspends in the other areas to leave a small overspend.
- 4.5 **Inclusion Support** (£419,000 overspend): Home to school transport provides continues to be a budget pressures and the current forecast is for an overspend in the region of £312,000. This forecast has been updated to reflect the impact of new academic year contracts. The remaining overspend in this area relates to SEND services and Short Breaks.
- 4.6 **Sufficiency, Participation and Support** (£3,000 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. There is also a small operational underspend.
- 4.7 **Early Help and Prevention** (£62,000 underspend): this relates to staffing vacancies within the locality teams which are currently being recruited to.

- 4.8 **PCMI - Portsmouth Craft & Manufacturing Industry** (£19,000 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** (£2,000 underspend): there is a minor underspend in this area relating to staffing costs.

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.
- 5.2 Current spending at £59.5m is some £29.9m 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 £21,500 against total approved funding of £89.4m. 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 £367,000, although the Portfolio reserve will partially mitigate this by £102,000. The most significant variation is transport provision, with some in year savings against staffing budgets 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 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



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	15,827,700	15,826,300	15,827,700	0	
2	Sufficiency Programme Phase One 2013- 2015	6,289,300	6,289,100	6,289,300	0	
3	Sufficiency Programme Phase Two 2015- 2017	11,024,900	10,640,200	11,095,500	70,600	
4	Secondary School Feasibility Study	97,700	97,600	97,700	0	
5	Temporary Accommodation	358,000	358,000	358,000	0	
6	Vanguard Centre	3,264,900	3,231,000	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	593,800	-34,900	
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	41,100	-1,100	
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	2,781,100	2,726,500	2,781,100	0	
17	School Conditions Project 2016 - 17	981,400	869,500	956,400	-25,000	
18	Secondary School Places Expansion Phase (1)	1,643,000	1,651,800	1,693,000	50,000	
19	Special Education Needs - Building Alterations	3,191,600	2,457,900	3,203,800	12,200	
20	Schools Devolved Formula Capital 2016-17	4,343,800	3,219,600	4,343,800	0	
21	Sufficiency of Secondary School Places	5,517,500	1,387,000	5,193,300	-324,200	Final tender came in lower than expected
22	Future Secondary School Places Feasibility	304,500	157,100	88,300	-216,300	Expected to undertake 4 feasibility projects, 2 completed to date, currently reviewing requirements
23	School Condition 2017-18	954,300	683,800	918,200	-36,100	
24	Beacon View - Kitchen Block	45,000	39,700	45,200	200	
25	School Condition 2018-19	1,362,200	1,010,100	1,569,800	207,600	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	1,601,000	10,505,000	142,200	Additional costs at Admiral Lord Nelson re childcare facilities and Mayfield furniture and equipment.
27	Special School Places - Redwood Park	3,053,700	308,600	3,053,700	0	
28	Special School Places - Willows	400,000	121,800	400,000	0	
29	Milton Childcare Sufficiency	144,100	48,500	70,000	-74,100	Final costs expected to be lower than estimated. Approval to utilise funding to support childcare facilities at Admiral Lord Nelson project
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	2,564,700	110,100	2,740,500	175,800	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	879,200	1,073,700	36,100	
34	Additional School Places in Mainstream Schools - Design	250,000	71,400	295,800	45,800	
35	Additional Secondary Schools Places - St Edmunds Catholic School (GRANT)	650,000	200,000	650,000	0	
36	Additional School Places 2020/2021	6,908,000	0	6,908,000	0	
37	Wymering Site	70,000	16,700	82,000	12,000	
Income	Academy Income	-35,000	-60,900	-95,900	-60,900	
TOTALS		89,391,300	59,533,700	89,370,000	-21,500	