

Title of Meeting:	Cabinet Member for Education
Date of Meeting:	18 th March 2020
Subject:	Education Portfolio Budget Monitoring Report for the Third 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 December 2019.

2. Summary

- 2.1.** The current forecast is for the total portfolio spending to be £309,900 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. Of the projected overspend £337,700 relates to the overspend on Home to School Transport and will be funded from contingency. The capital programme is currently forecasting a balanced budget on the approved capital budget of £88.5m.

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 December 2019, together with the variance and pressure explanations.

4 Summary Position against Cash Limited Budget at the end of December 2019

- 4.1 The Education Portfolio at the end of the third quarter, is projecting an overspend of £309,900 in year. The 2019/20 budget includes £117,000 of one off funding from the portfolio reserve that was carried forward from 2018/19. This leaves £102,000 in the Education portfolio reserve to support this years overspend.
- 4.2 The £309,900 in year overspend is broken down in the table below.

Service Area	Current Budget	Current Forecast	Variation
	£000	£000	£000
Strategic Services	-112	-134	-22
School Improvement	726	727	1
Inclusion Support	3,869	4,290	421
Sufficiency, Participation & Resources	779	777	-2
Early Help and Prevention	221	133	-88
Total Education Directorate	5,483	5,793	310
PCMI	243	243	0
Community Learning	0	0	0
Youth & Play Shared Services with the HRA	76	76	0
Total Education Portfolio	5,802	6,112	310

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

This projected overspend is a decrease of £56,800 compared to Quarter 2 and the forecast variances to budget are explained further below.

- 4.3 **Strategic Services** (£22,000 underspend): The service is currently projected to be underspent due to small underspends on staffing, interest on school balances and redundancy costs.
- 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. The EMAS service overspend is a result of fewer schools buying services than anticipated resulting in income levels being 3% lower than budgeted. The service is looking to increase pay as you use income and reduce costs in order to mitigate this overspend.
- 4.5 **Inclusion Support** (£421,000 overspend): Home to school transport provision continues to be a budget pressures and the current forecast is for an overspend in the region of £338,000. This forecast reflects the impact of 2019-20 academic year contracts. The remaining overspend in this area relates to SEND services including tribunal & legal costs and Short Breaks.
- 4.6 **Sufficiency, Participation and Support** (£2,000 underspend): An overspend on staffing within the business support team is offset by an underspends on staffing and income in the business and partnerships team and IT costs within core services budget.

- 4.7 **Early Help and Prevention** (£88,000 underspend): this relates to staffing vacancies within the locality teams which are currently being recruited to.
- 4.8 **PCMI - Portsmouth Craft & Manufacturing Industry** (On Budget): The forecast includes the demobilisation costs for closing the PCMI Manufacturing Unit at the end of January 2020. The costs for the redundancies will be funded from the MTRS reserve with any residual costs to be funded from the PCMI Skills and Employment specific reserve.
- 4.9 **Youth & Play Shared Services with the HRA** (On Budget): This area is predicted to be on budget.

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 £62.5m is some £26.0m below approved funding for the schemes identified, reflecting the longer term nature of capital spending. At this stage, the forecast eventual spending levels suggest a balanced budget against total approved funding of £88.9m.
- 5.3 The authority has recently received notification of additional costs relating to the car park and delays in relation to the Admiral Lord Nelson secondary sufficiency project. Further work to clarify the position is underway and should they be confirmed as accurate a request to re-align funding through the School Places 2020-21 scheme will be brought to Cabinet Member for approval. Comments related to the variations are noted on Appendix 1.

6 Summary

- 6.1 The portfolio budget is currently forecast to overspend by £309,900. The overspend after the full use of the remaining portfolio reserve of £101,600 is £208,300. The most significant variation is transport provision, with some in year savings against staffing budgets reducing the forecast deficit position slightly. It has been recognised that the costs associated with Home to School transport cannot be met from within the portfolio cash limit and therefore this will be met from contingency.
- 6.2 The capital programme is currently projected to balance. If required, a request to utilise funding set aside for additional school places for 2020-21, will be brought to Cabinet Member if costs exceed the 2019/20 capital budget.

7 Integrated impact assessment (IIA)

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

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.

.....
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 Member for Education on

.....
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	10,645,400	11,090,600	65,800	
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	3,231,100	3,302,400	37,500	
7	King Richard School Rebuild 900-1000 places	1,712,300	1,418,800	1,714,300	2,000	
8	Portsmouth College Sufficiency Post 16	263,400	263,500	263,600	300	
9	Universal Infant Free School Meal Works	892,800	889,300	892,000	-800	
10	Universal Infant Free School Meal Provision	628,700	593,600	593,900	-34,800	
11	Salix	124,200	115,500	124,400	200	
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 SI Provision	557,300	557,300	557,300	0	
15	Schools Conditions Projects - Modernisation	1,447,000	1,422,600	1,447,900	800	
16	School Condition Projects 2014-2016	2,781,100	2,726,500	2,782,900	1,700	
17	School Conditions Project 2016 - 17	981,400	869,500	956,500	-24,900	
18	Secondary School Places Expansion Phase (1)	1,643,000	1,651,800	1,698,000	55,000	
19	Special Education Needs - Building Alterations	3,191,600	2,480,500	3,209,300	17,800	
20	Schools Devolved Formula Capital 2016-17	4,343,800	3,109,700	4,343,800	0	
21	Sufficiency of Secondary School Places	5,517,500	1,932,900	5,200,300	-317,200	Final tender came in lower than expected
22	Future Secondary School Places Feasibility	304,500	60,000	88,600	-216,000	Expected to undertake 4 feasibility projects, 2 completed to date, currently reviewing requirements
23	School Condition 2017-18	954,300	685,100	923,800	-30,400	
24	Beacon View - Kitchen Block	45,000	41,700	45,700	700	
25	School Condition 2018-19	1,362,200	1,039,300	1,526,100	163,900	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	10,437,800	3,376,300	11,061,000	204,900	Overspend due to Additional Highway and Car Park Work, together with additional costs due to extension of time due to school undertaking window works which were not complete on time.
27	Special School Places - Redwood Park	3,053,700	353,200	3,053,700	0	
28	Special School Places - Willows	400,000	223,300	406,300	6,300	
29	Milton Childcare Sufficiency	69,100	66,400	70,400	1,300	
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	1,700,000	148,000	1,700,100	100	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	1,067,800	1,079,100	41,500	
34	Additional School Places in Mainstream Schools - Design	250,000	40,500	295,800	45,800	
35	Additional Secondary Schools Places - St Edmunds Catholic School (GRANT)	650,000	650,000	650,000	0	
36	Additional School Places 2020/2021	6,908,000	0	6,908,000	0	
37	Wymering Site	70,000	16,700	109,000	39,000	
Income	Academy Income	-35,000	-60,900	-95,900	-60,900	
TOTALS		88,526,600	62,518,100	88,944,800	0	