

RHONDDA CYNON TAF COUNCIL CENTRAL SOUTH CONSORTIUM JOINT EDUCATION SERVICE JOINT COMMITTEE

Minutes of the virtual meeting of the Central South Consortium Joint Education Service Joint Committee meeting held on Tuesday, 13 December 2022 at 3.30 pm

County Borough Councillors - Central South Consortium Joint Education Service Joint Committee Members in attendance:-

Councillor R Birch (Vale of Glamorgan Council) (Chair)
Councillor M Jones (Merthyr Tydfil County Borough Council)
Councillor R Lewis (Rhondda Cynon Taf County Borough Council)
Councillor S Merry (Cardiff Council)

Officers in attendance:-

Mr E Cooper - Lead Chief Executive, (Merthyr Tydfil County Borough Council)
Ms S Davies - Service Director, Finance Services (Rhondda Cynon Taf County Borough Council)

Others in attendance:-

Ms C Seery - Managing Director, Central South Consortium
Ms L Blatchford Deputy - Deputy Managing, Director Central South Consortium

27 Apologies of Absence

Apologies of absence were received from County Borough Councillor Jon-Paul Blundell (Bridgend County Borough Council) and Mr L Harvey (Bridgend County Borough Council).

28 Declaration of Interest

In Accordance with the Councils Code of Conduct, there were no declarations of interest made parenting to the agenda.

29 Minutes

It was **RESOLVED** to approve the minutes of the meeting held on the 25th October 2022 as an accurate reflection of the Central South Consortium Joint Education Service Joint Committee.

30 Budget Monitoring Update 2022/23

The Service Director, Finance Services presented the report; the report aimed to provide Members with an update on the projected outturn position for 2022/23 and a summary of the 2022/23 grant funding.

The Service Director, Finance Services reminded Members that the budget of £3.6 million was agreed by Joint Committee on the 22nd December 2021. It was

noted that the current position shows an underspend of £187k; The Service Director, Finance Services advised Members that the majority of the underspend was due to employee budgets with a projected underspend of £197k, as a result of timing of recruitment and utilisation of external grant funding. There is a projected underspend of £45k on Premises due to rationalisation of accommodation requirements at the Valleys Innovation Centre partly offset by additional costs from the use of external facilities.

The Services Director, Finance Services continued by advising Members that there is a projected overspend of £10k on Transport due the need for more physical/ face to face attendance across schools as part of supporting improvement activities, the timings of which being in line with the lifting of the Covid-19 restrictions. There was a projected overspend of £32k on Supplies and Services mainly due to estimated additional one-off costs to enable investment in ICT hardware and lastly, there was a projected overspend of £12k due to an increase in service level requested to be delivered by the host authority to the Consortium.

Members were directed to paragraph 3.3 of the report; The Service Director, Finance Services requested Members of the Committees to authorise the lead Section 151 Officer to allocate any underspend at year-end, after taking account of specific financial risks, to the existing Service Remodelling Earmarked Reserve to support the setting and delivery of balanced budgets over the medium-term.

Members were directed to section 4 of the report which highlighted the use of the grant funding; the Service Director, Finance Services advised Members that nearly 93% of funds are delegated to schools and Local Authorities.

To conclude, the Service Director, Finance Services advised Members that the projected outturn position for the full year is £18k underspend and the Consortium will continue to closely monitor and manage its resources and report updates to Joint Committee through to year-end.

The Central South Consortium Joint Education Service Joint Committee **RESOLVED** to:

- Note the current outturn projected position for 2022/23
- Authorise the lead Section 151 Officer to allocate any year-end underspend, after taking account of specific financial risks, to the existing Service Remodelling Earmarked Reserves to support the setting and delivery of balanced budgets over the medium term.
- Note the current grant funding position for 2022/23

31 CSC Medium Term Financial Update (Indicative 3-Yr Budget, 2023/24 - 2025/26)

The Service Director, Finance Services presented the report to Members; The report aimed to provide Members with a Medium-Term Financial Plan update for the period 2023/24 to 2025/26 to allow the lead Section 151 Officer to notify the constituent local authorities of the recommended indicative 3 year budget to inform the medium term financial planning arrangements within each Council.

The Medium-Term Financial Planning (MFTP) is an essential component of effective financial management, a cornerstone of good governance and an enabler of service delivery and service improvement within the constraints of available resources. The Consortium recognises the importance of MFTP and has a sound track record of setting and delivering balanced budgets against a backdrop of reducing funding levels and protecting the delivery of frontline school improvement activities, whilst having robust arrangements to identify and deliver budget savings. The Service Director, Finance Services reminded Members that the latest plan was reported to Joint Committee Meeting on the 15th July 2021 and used to inform the 2022/23 budget setting process, this being approved on the 22nd December 2021 in line with the requirements of the Legal Agreement.

Members were directed to table 1 of the report which detailed the budget pressures, with the majority relating to pay pressures. The Service Director, Finance Services advised Members of the budget pressures for 23/24 in total are £199k and then £134k in 24/25 and £123k in 25/26.

The Service Director, Finance Services directed Members to table 2 of the report which detailed the budget gaps at various model scenarios for Local Authority contribution, ranging from option A (-3%) in 23/24 and then -2% for the following two years to contributions covering employee related costs at option F. The Service Director, Finance Services advised that these various options result in budget gaps over a 3-year period between £711k and £30k.

The Service Director, Finance Services continued by advising Members that the Chief Executives of the constituent Local Authorities have reviewed the information set out in table 1 and 2 of the report and recommended that the Consortium model its medium-term budget planning arrangements on option A (Reduce Local Authority Contributions 23/24 -3%, 24/25 -2% & 25/26 - 2%).

Members were directed to table 4 which highlighted the change in Local Authority contribution levels for 23/24 compared to 22/23, subject to changes in published Indicator Based Assessments. Members were advised that option A will require the Consortium, within the indicative funding allocated, to manage pay and non-pay inflation and deliver budget savings to set a balanced budget. Members were directed to table 5 of the report which aimed to identify budget saving proposals after the review of the Consortium's Revenue Budget for 2022/23.

The Lead Chief Executive (Merthyr Tydfil Council) provided Members with feedback received from an engagement session held with Chief Executives; he advised concerns were raised in regards to the use of Local Authority Annex funding and the possibility of other options within the budget.

A Member raised a query on the impact option A might play in terms of the capacity of the Consortium.

The Managing Director (CSC) advised Members of the work undertaken which looks at the School Improvement team to ensure their role can still be fulfilled. The Managing Director (CSC) advised Members of the use of maximising grant funding to ensure those roles are fulfilled, however Members were advised of the risks involved due to the grant figures possibly changing next year.

The Chair inquired whether the saving plan will come back to Joint Committee as part of the update highlighted in paragraph 4.7 of the report. The Deputy

Managing Director advised it would be coming back to Joint Committee.

The Central South Consortium Joint Education Service Joint Committee **RESOLVED** to:

- Consider and approve the Medium-Term Financial Plan update (2023/24 to 2025/26) and instruct the lead Section 151 Officer to notify the constituent local authorities of the recommended indicative 3-year budget to inform the medium-term financial planning arrangements within each Council.
- Authorise the Lead Section 151 Officer to utilise the 'Service Remodelling Earmarked Reserve', as transitional funding, to support the Consortium in setting a balanced and deliverable budget for 2023/24 (and over the medium-term period) where appropriate.

32 Budget Setting 2023/24

The Service Director, Finance Services presented the report; the report aimed to provide Members with the proposed 2023/24 revenue budget and basis of appointment for Local Authority contribution levels for this period.

The Service Director, Finance Services advised Members that under the terms of the Central South Consortium's Legal Agreement, the Joint Committee is required to approve its budget by the 31st December for the following financial year in order that member Local Authorities can consider and approve their contributions. In line with the previous report (Medium Term Financial Planning), the 2023/24 Revenue Budget has been constructed based on the 3% decrease in Local Authority core contributions alongside the following parameters:

- Target available funding to key priorities and protect, as far as is practicable, frontline school improvement resources.
- The continued delivery of efficiency savings and;
- The Consortium to fully fund estimated pay and non-pay (i.e. goods and services) related inflation.

The Service Director, Finance Services advised Members that the overall saving requirement for 2023/24 totals £380k, comprising cost pressures in relation to pay (£127k), and non-pay inflation of £27k.

The required budget saving in line with the principles set out in paragraph 3.3, and the MTFP report; the Joint Committee on 13th December 2022, are proposed to be delivered through revisions to staffing arrangements, reduction in accommodation costs and grant utilisation, also a contribution of £33k from the 'Service Remodelling Earmarked Reserve', as transitional funding, to support the Consortium in setting a balanced and deliverable budget for 2023/24 revenue budget, with the requirement for the Consortium to identify further permanent budget savings of £33k during 2023/24.

Members were directed to Table 1 of the report which sets out the draft revenue budget for 2023/24 showing a reduction in gross expenditure of £76k in comparison to 2022/23 in order to achieve a reduction in contributions of 3% which are shown at Table 2.

The Central South Consortium Joint Education Service Joint Committee
RESOLVED to:

- Consider and approve the revenue budget for 2023/24.
- Instruct the lead Section 151 Officer to notify constituent local authorities of the approved revenue budget for 2023/24 and for constituent Local Authorities to confirm their approval to the next meeting of the Joint Committee.

33 Central South Consortium Grants Report

The Deputy Managing Director CSC presented a report; the report aimed to provide Members with an update on the grants to be received by the Consortium in 2022/23, for which notifications have been deferred, and the methods of allocation for each.

Members were directed to section 4 of the report; it was noted that the method of apportionment of each grant will vary depending on its nature, intended recipients, its purposes and the associated terms and conditions.

For each grant the following process shall be adopted:

- The Consortium shall prepare a proposed method of distribution taking into account all relevant criteria.
- The Director of Education (or equivalent) of each authority shall approve the basis of apportionment at the Management Board of the Central South Consortium Joint Education Service. This will ensure appropriate and effective use of grant funding to target school improvement equitably across each of the five local authority areas.
- A report detailing the basis and reasons for the method adopted shall be presented to the Joint Committee for approval.

The Deputy Managing Director, CSC provides Members with a brief overview of the award of funding received by CSC in 2022/23. This included:

1. Pupil Development Grant (PDG)

A total award of funding of £43,484,273 was provided to CSC. From April 2022, the PDG has been allocated to support:

- Learners who are eligible for free school meals (PLASC 2021) and who are educated in maintained schools
- Eligible learners who are singly registered in pupil referral units (PRUs) and education other than at school (EOTAS)
- Eligible learners in early years settings where the Foundation Phase is delivered
- Looked After Children (LAC), and former LAC who have been adopted from care or who are subject to a special guardianship or residence order aged 3-15
- Employment of PDG Strategic Adviser

2. PDG Consortia Led Funding

A total award of funding of £236,273 was provided to CSC; the Deputy Managing Director CSC advised Members that on the 15th July 2022 CSC Management Board approved the £163k of the PDG Consortia Led Funding should be delegated to the Local Authorities to provide targeted support / fund activity at a local level and £73k retained centrally for the RADY and Enabling Equity and Excellence pilot.

3. Regional Consortia School Improvement Grant – Revised Award of Grant Funding

The Deputy Managing Director advised Members of an additional revised award of funding of £189,993, thus taking the total award of grant funding for the financial year 2022/23 to £48,842,583.

It was noted that the aim of the additional funding was to further support the following:

- National Professional Qualification for Headship (NPQH) - £9,625
- Welsh-medium capacity grant - £134,118
- Supporting vulnerable learners through teaching and learning - £46,250

Members were advised to note that the revised award of funding of £134,118 has been delegated to schools and the £55,875 retained to manage the programme on behalf of the five Local Authorities.

To conclude, the Deputy Managing Director CSC, directed Members to Table 1 of the report which provided a breakdown of the apportionment of the funding, in line with the approved CSC 2022/23 Business Plan.

Following consideration by Members it was **RESOLVED** to:

- Approve the distribution of grants as detailed in section 4 of the report (and Annex A)

34 Annual Governance Statement Progress Report

The Deputy Managing Director CSC presented the report; the report aimed to provide the Central South Consortium Joint Education Service Joint Committee with a progress update on the proposals for improvement made within the 2021/22 Annual Governance Statement (AGS).

Members were reminded that the AGS was reported to and approved by Joint Committee at its meeting held on the 25th October 2022. The document described the governance arrangements in place, challenged their effectiveness and set out proposals for improvement.

The Deputy Managing Director CSC advised Members that the AGS 2021/22 made four proposals for improvement and noted the Consortium's Senior Management Team had accepted these and was committed to their implementation during 2022/23 as shown at Appendix 1. It was noted that at present, the Senior Management Team confirmed that an update on progress would be reported to the Joint Committee during the year to enable elected Members to review and scrutinise the extent of progress being made.

The Deputy Managing Director CSC informed Members that of the four recommendations for improvement made, two are completed, with progress made of the remaining.

Following consideration by Members it was **RESOLVED** to:

- Seek clarity and explanation where there are areas of concern.
- Form an opinion on the extent of progress that has been made to date in implementing the proposals for improvement reported (Appendix 1).

35 Exclusion of the Press and Public

To consider passing the under-mentioned resolution:

RESOLVED – that the press and public be excluded from the meeting under Section 100(A) of the Local Government Act ,1972 (as amended) for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 14 of part 4 of Schedule 12A of the Act.

36 CSC Risk Register

Members of the Joint Committee received an update on the current risk register of Central South Consortium.

Following the update, Members of the Joint Committee noted the contents of the report and **RESOLVED** to: -

- Consider and approve the revised corporate risk register for Central South Consortium, which aligns to the updated Risk Management Policy (September 2022).

37 Urgent Business

None.

This meeting closed at 4.25 pm

**Cllr R Birch
Chair**