



**CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE**

16th DECEMBER 2021

JOINT EDUCATION SERVICE

**JOINT REPORT OF THE MANAGING DIRECTOR AND THE TREASURER
– 2021/22 BUDGET MONITORING UPDATE AND 2022/23 BUDGET
SETTING**

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1. PURPOSE OF REPORT

To provide Members with:

- 1.1 An update of the projected outturn position for 2021/22 and a summary of 2021/22 grant funding.
- 1.2 The proposed 2022/23 revenue budget and basis of apportionment of local authority contribution levels for this period.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the current projected outturn position for 2021/22.
- 2.2 Note the current grant funding position for 2021/22.
- 2.3 Consider and approve the budget for 2022/23 in order for the member local authorities to approve, as appropriate, and to confirm their approval to the next meeting of the Joint Committee.

3. **BUDGET MONITORING 2021/22**

3.1 A summary of the 2021/22 projected outturn position is set out in Table 1.

Table 1 – Projected Outturn Position 2021/22

Category	Revised Budget 2021/22 £	Projected Out-turn 2021/22 £	Variance (Under) / Overspend £
<u>Expenditure</u>			
Employees	3,067,186	3,066,432	(754)
Premises			
Rent	155,855	155,855	0
Maintenance	150	0	(150)
Other	0	123	123
Total Premises Cost	156,005	155,978	(27)
Transport	10,800	9,450	(1,350)
Supplies & Services			
Continuing Professional Development / Staff Adverts	51,774	26,557	(25,217)
Licenses / Mobile and Telephone Charges / Computer Costs – Hardware / Software	94,255	108,668	14,413
External Audit and Actuary Fee, Employers Liability and Public Liability Insurance	53,020	53,520	500
Photocopying / Postage / Advertising / Stationery / General Office Expenses	29,932	33,949	4,017
Total Supplies & Services	228,981	222,694	(6,287)
Commissioning	27,655	27,655	0
Support Services	119,250	126,337	7,087
Gross Expenditure	3,609,877	3,608,546	(1,331)
<u>Income</u>			
Local Authority Contributions	3,563,532	3,563,532	0
Grants and Other Income	46,345	46,345	0
Total Income	3,609,877	3,609,877	0
Net Expenditure	0	(1,331)	(1,331)

3.2 The full year projected outturn position (projected as at November 2021) is a £1.3k underspend (£0.8k projected underspend reported to the 22nd September 2021 Joint Committee meeting). Key variances within the projected outturn position include:

- Transport (£1k underspend) & Supplies & Services (£6k underspend) – projected outturns reflect a lower estimated expenditure requirement for the year partly due to the continued impact of COVID-19; and
- Support Services (£7k projected overspend) – increased costs as a result of the business need for further services being received from the host authority.

3.3 Members will be aware that the audited 2020/21 Statement of Accounts included two specific earmarked reserves, the current position for each is as follows:

- £6k to support school improvement activities – the current commitment against this earmarked reserve is £6k, to support the ongoing delivery of the sensory project.
- £200k to support the re-modelling of the service over the medium term – to date there are no costs which require to be funded from the re-modelling earmarked reserve.

4. **GRANT FUNDED SERVICE 2021/22**

4.1 Table 2 sets out the 2021/22 grant allocations received by the Consortium from Welsh Government as at November 2021.

Table 2 – 2021/22 Grant Allocations

Regional Consortia School Improvement Grant	2021/2022 Budget	
	£	%
<u>Centrally retained funding</u>		
Centrally retained funding including literacy and numeracy support, Welsh in Education and Foundation Phase provision	3,325,526	6.1%
Business Plan Activity	2,067,902	3.8%
	5,393,428	9.9%
<u>Delegated funding to LAs & Schools</u>		
Central South Wales Challenge Model	551,500	1.0%
Collaboration Model	2,926,581	5.4%
Support to School Partnerships	152,000	0.3%

Curriculum & Assessment Reform (Network / Guidance workstreams)	108,230	0.2%
Curriculum & Assessment Reform	1,523,898	2.8%
Professional Learning - Pioneer Schools	156,600	0.3%
Professional Learning to realise the curriculum	352,800	0.6%
EIG Element for Schools / PRUs	35,015,280	64.4%
Foundation Phase	3,918,033	7.2%
Professional Learning funding to schools	3,817,332	7.0%
Non-Maintained settings - Foundation Phase	314,600	0.6%
Local authorities (LA) - administration of grant	67,207	0.1%
LA Annex	98,345	0.2%
	49,002,406	90.1%
TOTAL GRANT (INCLUDING LA MATCH FUNDING)	54,395,834	
LA MATCH FUNDING	2,989,022	
TOTAL GRANT (EXCLUDING LA MATCH FUNDING)	51,406,812	

- 4.2 The Consortium has updated its Grants Register to reflect the position set out in Table 2 and will continue to monitor expenditure to ensure the use and effectiveness of grants are maximised across the region.
- 4.3 Members are asked to note that the award of funding in relation to the Pupil Development Grant is yet to be issued by Welsh Government. Allocations included in the respective grant invitation letter dated 8th October 2021 are set out in Table 3 below.

Table 3 – 2021/22 Indicative PDG Allocations

	Number of eligible learners	Indicative Allocation £	Delegated to LA/Schools £	Retained within CSC £
Learners eligible for free school meals (e-FSM)	25,204	28,984,600	28,984,600	0
Learners in early years settings (EYPDG)	5,142	5,913,300	5,913,300	0
Learners eligible for FSM in PRUs and EOTAS	241	277,150	277,150	0

Looked after children aged 3-15	1,764	2,028,600	1,848,204	180,396 ¹
Strategic advisers	n/a	100,000	0	100,000
Consortia led funding	n/a	278,320	178,120	100,200
TOTAL GRANT		37,581,970	37,201,374	380,596

5. REVENUE BUDGET 2022/23

5.1 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.

5.2 As Members will be aware, the 15th July 2021 Joint Committee meeting approved indicative Revenue Budget levels for the period 2022/23 to 2024/25, to aid the Consortium's medium term service planning arrangements i.e. Local Authority contributions cover the pay award assumption of 2% per annum.

5.3 In line with Joint Committee's approval, the 2022/23 Revenue Budget has been constructed based on a 1.72% increase in contributions and the following parameters have been used to inform the process:

- The need to protect frontline school improvement resources and target available funding to key priorities;
- The continued delivery of efficiency savings; and
- The Consortium to fully fund:
 - Estimated costs of changes to National Insurance Contribution levels; and
 - Estimated non-pay (i.e. goods and services) related inflation.

5.4 The overall saving requirement for 2022/23 totals £41k, comprising cost pressure in relation to changes in Employer National Insurance contribution levels (£32k) and the impact of non-pay inflation (£9k). The required budget savings, in line with the principles set out in paragraph 5.3, are proposed to be delivered through revising non-pay budget areas in line with service needs for the forthcoming year.

5.5 The Treasurer has validated the core budget saving proposals and has

¹ Includes £57.5k for Looked after children educated outside of Wales.

confirmed that they would be available for release in the 2022/23 financial year.

5.6 Bringing together the information set out in paragraphs 5.3 to 5.5, Table 4 sets out the draft revenue budget for 2022/23.

Table 4 – Draft Revenue Budget 2022/23

Category	Revised Budget 2021/22	Proposed Budget 2022/23	Budget Increase / (Decrease)
	£	£	£
<u>Expenditure</u>			
Employees	3,057,186	3,120,925	63,739
Apprenticeship Levy	10,000	10,000	0
Gross Employees	3,067,186	3,130,925	63,739
Premises	156,005	158,966	2,961
Transport	10,800	12,000	1,200
Supplies and Services	228,981	173,904	(55,077)
Commissioning	27,655	27,655	0
Support Services	119,250	140,925	21,675
Gross Expenditure	3,609,877	3,644,375	34,498
<u>Income</u>			
Local Authority Contributions	3,563,532	3,624,875	(61,343)
Grants and Other Income	46,345	19,500	26,845
Total Income	3,609,877	3,644,375	(34,498)
Net Expenditure	0	0	0

5.7 With regard to funding contributions from each Local Authority, Members will note that these are based on specific IBAs published by the Welsh Government (in accordance with the Central South Consortium's Legal Agreement). Table 5 sets out the 2022/23 Local Authority contributions on this basis.

Table 5 - 2022/23 Local Authority contribution levels

Local Authority	2022/23 Allocation Basis (Based on 2021/22 IBA)		2021/22 Contribution	2022/23 Contribution	Change Increase / (Decrease)
	£'000	%	£	£	£
Bridgend	98,245	15.40	548,784	558,231	9,447
Cardiff	231,542	36.29	1,293,205	1,315,467	22,262
Merthyr Tydfil	40,572	6.36	226,641	230,542	3,901
Rhondda Cynon Taf	172,997	27.11	966,074	982,704	16,630
Vale of Glamorgan	94,739	14.84	528,828	537,931	9,103
Total	638,095	100%	3,563,532	3,624,875	61,343

- 5.8 Subject to the decision of the Joint Committee, agreed contribution levels for 2022/23 will be notified to member local authorities for their approval and confirmation back to the next Joint Committee meeting.

6. CONCLUSIONS

- 6.1 The projected outturn position for the full year is a £1.3k underspend (projected as at November 2021) and the Consortium will continue to closely monitor and manage its resources and report updates to Joint Committee through to year-end.
- 6.2 The 2021/22 Grants Register has been updated to reflect the current grant funding position.
- 6.3 A draft 2022/23 Revenue Budget for the Consortium has been prepared and reflects an aggregate +1.72% increase in member local authority contribution levels, adjusted for 2021/22 IBA, this being in line with the indicative three-year revenue budget agreed by Joint Committee in July 2021.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

16th DECEMBER 2021

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

15th July 2021 Central South Consortium – Medium Term Financial Plan Update

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