

**CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE**

7TH JUNE 2022

JOINT EDUCATION SERVICE

**REPORT OF THE TREASURER – DRAFT STATEMENT OF ACCOUNTS
2021/22 (INCORPORATING THE 2021/22 ANNUAL GOVERNANCE
STATEMENT) AND 2021/22 YEAR-END POSITION**

**Author: Stephanie Davies – Service Director – Finance Services Tel.
No. 01443 424026**

1. PURPOSE OF REPORT

- 1.1 To provide Members with the Central South Consortium draft Statement of Accounts for 2021/22 (that incorporates the 2021/22 Annual Governance Statement) along with the draft outturn position for the year.
- 1.2 To seek Joint Committee's approval of the 2021/22 Annual Governance Statement for the Central South Consortium.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Approve the earmarked reserve request set out at 3.2.
- 2.2 Note the draft Statement of Accounts for the Central South Consortium for the year-ending 31st March 2022 (Appendix 1) and the draft outturn position for the year (Section 4 – Table 1).
- 2.3 Approve the 2021/22 Annual Governance Statement (as incorporated within the draft 2021/22 Statement of Accounts).

3. EARMARKED RESERVES

3.1 At the Joint Committee meeting held on the 17th March 2022, Members were provided with an update in respect of approved earmarked reserves:

- £6k to support school improvement.
As at 31st March 2022, £6k has been used to support the delivery of a sensory project.
- £200k to support on-going service remodelling and medium-term planning
As at 31st March 2022, no spend is reported. To support service remodelling over the medium term, the Joint Committee is requested to approve the re-earmarking of the balance (£200k).

3.2 The revised total non-grant related earmarked reserve amounts to £200k and has been included within the Central South Consortium's draft Statement of Accounts for 2021/22.

4. STATEMENT OF ACCOUNTS 2021/22

4.1 The draft 2021/22 Statement of Accounts for the Central South Consortium is attached at Appendix 1 and requires certification by the Host Authority's Section 151 Officer (i.e. Rhondda Cynon Taf County Borough Council's Director of Finance and Digital Services).

4.2 The Accounts and Audit (Wales) (Amendment) Regulations 2018 require local authorities to produce and publish Statements of Accounts in line with laid down timescales. For the 2021/22 financial year (and on an on-going basis thereafter), these are as follows:

- The draft Statement of Accounts to be certified by 31st May following financial year-end; and
- The audited Statement of Accounts to be approved by Joint Committee by 31st July following financial year-end.

4.3 I can confirm that arrangements are in place for the draft 2021/22 Statement of Accounts to be certified, subject to the Joint Committee approving the 2021/22 Annual Governance Statement at this meeting. Arrangements are also being made, through the proposed calendar of Joint Committee meetings for the 2022/23 Municipal Year, for the audited 2021/22 Statement of Accounts to be approved prior to 31st July 2022.

4.4 Further to local government elections and the subsequent timing of the appointment of elected Members to Joint Committees, it was not possible to arrange a Joint Committee enabling certification by 31st May as detailed in Accounts and Audit Regulations. However, in recognition of challenging timescales, Welsh Government have outlined their expectation for 2021/22

Statement of Accounts requiring certification by 31st August and publication of final audited accounts by 30th November.

- 4.5 The draft Statement of Accounts, at Appendix 1, also incorporates the draft 2021/22 Annual Governance Statement. This document has been compiled in accordance with ‘Delivering Good Governance in Local Government: Framework 2016’ and been subject to review and challenge by the Consortium’s Senior Management Team.
- 4.6 Based on the assessment undertaken, the delivery of the CSC’s governance arrangements have been revised, in light of the Covid-19 pandemic, and have remained effective as evidenced through the comprehensive and timely updates provided to virtual Joint Committee meetings during the year; on-going compliance with the requirements of the Legal Agreement; robust financial planning and management arrangements; and tailored provision to schools, in line with Welsh Government guidance, to ensure schools have been supported throughout the pandemic and with their plans for recovery.
- 4.6 With the above information in mind, the Joint Committee is requested to review and if deemed appropriate approve the draft 2021/22 Annual Governance Statement.
- 4.7 In addition to the draft Statement of Accounts, the draft 2021/22 outturn position for the Consortium is a £27k underspend that is proposed to be allocated to the General Fund balance (taking the General Fund balance from £147k as at 1st April 2021 to £174k as at 31st March 2022). A summary of the draft 2021/22 outturn position is set out in Table 1.

Table 1 – Draft 2021/22 outturn position

| | 2021/22 £'000 |
|---------------------------------|--------------------------|
| Controllable Expenditure | |
| Employees | 6,558 |
| Premises | 155 |
| Transport | 13 |
| Supplies & Services | 88,465 |
| Third Party Payments | 2,479 |
| Support Services | 126 |
| | 97,796 |
| Controllable Income | |
| Local Authority Contributions | (3,564) |
| Grants & Other Income | (94,255) |
| | (97,819) |
| Net Expenditure | (23) |

| | |
|---|--------------|
| Less Interest Receivable | (4) |
| Transfer to Earmarked Reserves | 0 |
| Net (Surplus) / Deficit After Transfer of Earmark Reserves | (27) |
| General Fund Balances at 1st April 2021 | (147) |
| General Fund Balances at 31st March 2022 | (174) |

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

7th June 2022

Report of the Joint Committee

Author: Stephanie Davies – Service Director – Finance Services

Item 9 - REPORT OF THE TREASURER – DRAFT STATEMENT OF ACCOUNTS 2021/22 (INCORPORATING THE 2021/22 ANNUAL GOVERNANCE STATEMENT) AND 2021/22 YEAR-END POSITION

List of background papers

Appendix 1 – Central South Consortium Draft Statement of Accounts 2021/22

Officer to Contact :

Stephanie Davies

Tel no. 01443 424026