

**CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE**

27TH SEPTEMBER 2022

JOINT EDUCATION SERVICE

REPORT OF THE TREASURER – 2022/23 BUDGET MONITORING UPDATE

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1. PURPOSE OF REPORT

- 1.1 To provide Members with an update of the projected outturn position for 2022/23 (projected as at August 2022).
- 1.2 To provide Members with a summary of 2022/23 grant funding allocations.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the current outturn position for 2022/23.
- 2.2 Note the estimated additional cost implications of the current 2022/23 pay award offers and support the proposed approach to funding the additional costs in 2022/23.
- 2.3 Note the current grant position for 2022/23.

3. REVENUE BUDGET 2022/23

- 3.1 The 2022/23 revenue budget was agreed by Joint Committee on the 22nd December 2021.
- 3.2 A summary of the budget, projected outturn for the full year (projected as at August 2022) and variances are presented in Table 1.

Table 1 – Projected outturn position 2022/23

Category	Original Budget 2022/23 £	Projected Out-turn 2022/23 £	Variance (Under) / Over spend £
Expenditure			
Gross Employees	3,120,925	3,084,823	(36,102)
Apprenticeship Levy	10,000	10,000	0
Employees	3,130,925	3,094,823	(36,102)
Premises			
Rent	158,816	88,280	(70,536)
Maintenance	150	150	0
Hire of Venues	0	37,952	37,952
Other	0	136	136
Total Premises Cost	158,966	126,518	(32,448)
Transport	12,000	26,486	14,486
Supplies & Services			
Continuing Professional Development / Staff Adverts	28,500	28,500	0
Licences / Mobile & Telephone Charges / Computer Costs – Hardware / Software	71,507	88,226	16,719
External Audit & Actuary Fee, Employer Liability & Public Liability Insurance	53,020	53,020	0
Photocopying / Postage / Advertising / Stationery / General Office Expenses	20,877	38,740	17,863
Total Supplies & Services	173,904	208,486	34,582
Commissioning	27,655	36,655	9,000
Support Services	140,925	140,925	0
Gross Expenditure	3,644,375	3,633,893	(10,482)
Income			
Local Authority Contributions	3,624,875	3,624,875	0

Category	Original Budget 2022/23 £	Projected Out-turn 2022/23 £	Variance (Under) / Over spend £
Grants & Other Income	19,500	19,500	0
Total Income	3,644,375	3,644,375	0
Net Expenditure	0	(10,482)	(10,482)

3.3 The projected outturn position (projected as at August 2022) is a £10.5k underspend and reasons for key variances are set out below:

- Employees (£36k projected net underspend) – savings due to the timing of recruitment partly offset by additional Improvement Partner capacity to support the on-going delivery of business requirements (including Curriculum for Wales);
- Premises (£32k projected net underspend) – savings due to rationalisation of accommodation requirements at the Valleys Innovation Centre partly offset by additional costs from the use of external facilities;
- Transport (£14k projected overspend) – primarily due to the need for more physical / face-to-face attendance across schools as part of supporting school improvement activities, the timing of which being in line with the lifting of Covid-19 restrictions; and
- Supplies and Services (£35k projected overspend) – estimated additional one-off costs to enable investment in ICT hardware and increased costs of translation, advertising and promotional materials.

3.4 Members will note that with regard to the pay award position for the 2022/23 financial year:

- Non-teaching staff - the national employers for all NJC employees have offered a flat rate increase of £1,925 per employee, irrespective of their spinal column point.
- Teaching staff - the Welsh Government, who have devolved responsibility for teachers pay, have offered an increase of 5%. In addition, at the time of writing no Employer pay award offer has been published in respect of Soulbury Officers for the 2022/23 financial year; therefore, for the purposes of forecasting 2022/23 pay expenditure, it has been assumed that the 2022/23 pay award offer for Soulbury officers is in line with that for Teaching staff.

- 3.5 Following on, the estimated increase in the current year pay bill based on the 2022/23 pay award offers (including the assumption in respect of Soulbury officers), as set out in paragraph 3.4, is £58k and noting that this has not been factored into the projected outturn position as per Table 1. The Managing Director and Treasurer have undertaken a review of the projected outturn position for the current year and consider that the estimated in-year pay pressure can be funded from a combination of temporary one-off underspends and ensuring optimisation of 2022/23 grant funding. This approach will also require the Consortium to review all options to reduce expenditure and deliver further efficiency savings to meet the estimated additional in-year costs.
- 3.6 Looking ahead, the Managing Director and Treasurer will complete work during the autumn to refresh the Consortium's Medium Term Financial Plan for reporting to the December 2022 Joint Committee meeting. This update will include, amongst other things, the on-going (permanent) additional cost implications of the 2022/23 pay award alongside any other proposed workforce considerations, for example, Improvement Partner capacity, for the Committee's review.
- 3.7 Members will be aware the Joint Committee at its 7th June 2022 meeting approved a £200k earmarked reserve to support the remodelling of the service over the medium term with the reserve included in the draft certified Statement of Accounts for 2021/22. Currently, there is no forecast spend against this reserve in 2022/23.

4 GRANT FUNDED SERVICE 2022/23

- 4.1 Table 2 sets out the 2022/23 grant allocations received by the Consortium from Welsh Government as at August 2022.

Table 2 – 2022/23 grant allocations

Grant	Total Grant	Retained to Fund National Priorities	Delegated to Schools/Local Authorities
	2022/23 £	2022/23 £	2022/23 £
Regional Consortia School Improvement Grant¹ (including match funding)	51,641,567	7,799,717²	43,841,850
Welsh Language Framework³	77,800	77,800	0

¹ Distribution of grant approved on 7th June 2022

² Includes £1.065M RCSIG funding yet to be allocated

³ Distribution of grant approved on 7th June 2022

Pupil Development Grant *	43,484,272	318,980	43,165,292
Main	34,532,200	0	34,532,200
Early Years	6,321,550	0	6,321,550
Children Looked After	2,028,600	118,780	1,909,820
Education Other Than At School	265,650	0	265,650
PDG Consortia Led	236,272	100,200	136,072
Pupil Development Grant Adviser	100,000	100,000	0
Total	95,203,639	8,196,497	87,007,142

* Award of funding letter is yet to be issued by Welsh Government. Pupil Development Grant funding is based on indicative allocations provided by Welsh Government.

Regional Consortia School Improvement Grant 2022/23

4.2 For Members information, the total award of funding is £48,652,545 for the period 1st April 2022 to 31st March 2023 and is also subject to Local Authority match funding of £2,989,022 (equating to a total grant of £51,641,567 as per Table 2).

4.3 With specific regard to the Regional Consortia School Improvement Grant, funding will support the Consortium to deliver against Welsh Government national priorities for education, at the centre of which is a transformational curriculum and a focus on four key enabling objectives (the outcomes will be supported by a range of measures and key performance indicators, as outlined in the Consortium's Business Plan):

- Developing and delivering a high-quality education profession;
- Inspirational leaders working collaboratively to raise standards;
- Strong and inclusive schools committed to excellence, equity and well-being; and
- Robust assessment, evaluation and accountability arrangements supporting a self-improving system.

4.4 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.

5 CONCLUSIONS

5.1 The Joint Committee approved the 2022/23 revenue budget on the 22nd December 2021. The projected outturn position for the full year is a £10.5k underspend (projected as at August 2022) and the Consortium will continue to closely monitor and manage its resources and report up dates to Joint Committee throughout the year.

- 5.2 With regard to 2022/23 pay award offers for non-teaching and teaching staff (including Soulbury officers), the additional full year cost above the budgeted level is estimated to be £58k, noting that this estimate is based on the current pay award offers made. The Managing Director and Treasurer have proposed a one-off arrangement to fund the increase in costs for the 2022/23 financial year, subject to agreement of the Joint Committee.
- 5.3 The 2022/23 Grants Register has been updated to reflect the current grant funding position.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

27th SEPTEMBER 2022

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Freestanding matter

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