



**CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE**

13th DECEMBER 2022

JOINT EDUCATION SERVICE

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

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1. PURPOSE OF REPORT

To provide Members with:

- 1.1 An update of the projected outturn position for 2022/23.
- 1.2 A summary of 2022/23 grant funding.

2. RECOMMENDATIONS

It is recommended that Members:

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

3. **BUDGET MONITORING 2022/23**

3.1 A summary of the 2022/23 projected outturn position is set out in Table 1.

Table 1 – Projected Outturn Position 2022/23

Category	Original Budget 2022/23 £	Projected Out-turn 2022/23 £	Variance (Under) / Overspend £
<u>Expenditure</u>			
Employees	3,130,925	2,934,058	(196,867)
Premises			
Rent	158,816	88,280	(70,536)
Maintenance	150	2,861	2,711
Other	0	23,154	23,154
Total Premises Cost	158,966	114,295	(44,671)
Transport	12,000	22,417	10,417
Supplies & Services			
Continuing Professional Development / Staff Adverts	28,500	25,105	(3,395)
Licenses / Mobile and Telephone Charges / Computer Costs – Hardware / Software	71,507	90,430	18,923
External Audit and Actuary Fee, Employers Liability and Public Liability Insurance	53,020	53,635	615
Photocopying / Postage / Advertising / Stationery / General Office Expenses	20,877	36,670	15,793
Total Supplies & Services	173,904	205,840	31,936
Commissioning	27,655	27,655	0
Support Services	140,925	152,747	11,822
Gross Expenditure	3,644,375	3,457,012	(187,363)
<u>Income</u>			
Local Authority Contributions	3,624,875	3,624,875	0
Grants and Other Income	19,500	19,500	0

Category	Original Budget 2022/23 £	Projected Out-turn 2022/23 £	Variance (Under) / Overspend £
Total Income	3,644,375	3,644,375	0
Net Expenditure	0	(187,363)	(187,363)

3.2 The full year projected outturn position (projected as at November 2022) is a £187k projected underspend (£10.5k projected underspend reported to the 25th October 2022 Joint Committee meeting). Key variances within the projected outturn position include:

- Employees (£197k projected net underspend) – savings due to the timing of recruitment and utilisation of external grant funding, partly offset by additional Improvement Partner capacity to support the on-going delivery of business requirements (including Curriculum for Wales);
- Premises (£45k 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 (£10k 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;
- Supplies and Services (£32k projected overspend) – estimated additional one-off costs to enable investment in ICT hardware; and
- Support Services (£12k projected overspend) – primarily due to an increase in service level requested to be delivered by the host authority.

3.3 As Members will be aware, the financial outlook over the medium term is expected to be very challenging. With this in mind, the Committee is requested 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 Remodeling Earmarked Reserve to support the setting and delivery of balanced budgets over the medium-term. For Members information, the audited 2021/22 Statement of Accounts included a Service Remodeling Earmarked Reserve of £200k; for the year to date, there are no costs which require to be funded from this reserve.

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 November 2022.

Table 2 – 2022/23 Grant Allocations

	RCSIG	PDG	2022/2023 Grant Allocation	
<u>Centrally retained funding</u>				
Employee costs	4,290,590	178,251	4,468,841	4.7%
Non Employee costs	197,011	-	197,011	0.2%
Centrally Retained Pan Wales project costs	60,000	-	60,000	0.1%
PDG CLA Out of Wales		40,250	40,250	0.0%
Business Plan Activity	2,165,190	113,361	2,278,551	2.4%
	6,712,791	331,862	7,044,653	7.4%
<u>Delegated funding to LAs & Schools</u>				
Central South Wales Challenge Model	488,100		488,100	0.5%
Collaboration Model	4,639,366		4,639,366	4.9%
Support to School Partnerships	186,000		186,000	0.2%
Curriculum Reform (Network facilitation)	52,500		52,500	0.1%
Professional Learning funding to schools	3,858,221		3,858,221	4.0%
EIG Element for Schools / PRUs	35,414,430		35,414,430	37.2%
Non Maintained settings - Foundation Phase	314,600		314,600	0.3%
Local authorities (LA) - administration of grant	67,207		67,207	0.1%
LA Annex	98,345		98,345	0.1%
PDG (Schools)		40,538,650	40,538,650	42.5%
PDG (Local Authorities)		703,942	703,942	0.7%
PDG CLA (inc Out of Wales)		1,909,819	1,909,819	2.0%
	45,118,769	43,152,411	88,271,180	92.6%
TOTAL GRANT (INCLUDING LA MATCH FUNDING)	51,831,560	43,484,273	95,315,833	
LA MATCH FUNDING	2,989,022	-	2,989,022	
TOTAL GRANT (EXCLUDING LA MATCH FUNDING)	48,842,538	43,484,273	92,326,811	

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.

5. CONCLUSIONS

5.1 The projected outturn position for the full year is a £187k underspend (projected as at November 2022) and the Consortium will continue to closely monitor and manage its resources and report updates to Joint Committee through to year-end.

5.2 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

13th DECEMBER 2022

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Freestanding matter

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