

CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE
28th MARCH 2023
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 (paragraph 3.2) and the allocation of 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 (as approved by the Joint Committee on 13th December 2022).
- 2.2 Note the current grant funding position for 2022/23.

3. BUDGET MONITORING

- 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 £
Expenditure			
Employees	3,130,925	2,872,075	(258,850)
Premises			
Rent	158,816	88,200	(70,616)
Maintenance	150	3,011	2,861
Other	0	21,068	21,068
Total Premises Cost	158,966	112,279	(46,687)
Transport	12,000	20,523	8,523
Supplies & Services			
Continuing Professional Development / Staff Adverts	28,500	21,780	(6,720)
Licenses / Mobile and Telephone Charges / Computer Costs – Hardware / Software	71,507	95,403	23,896
External Audit and Actuary Fee, Employers Liability and Public Liability Insurance	53,020	53,705	685
Photocopying / Postage / Advertising / Stationery / General Office Expenses	20,877	48,742	27,865
Total Supplies & Services	173,904	219,630	45,726
Commissioning	27,655	28,051	396
Support Services	140,925	167,988	27,063
Gross Expenditure	3,644,375	3,420,546	(223,829)
Income			
Local Authority Contributions	3,624,875	3,624,875	0
Grants and Other Income	19,500	19,500	0
Total Income	3,644,375	3,644,375	0
Net Expenditure	0	(223,829)	(223,829)

3.2 The full year projected outturn position (projected as at February 2023) is a £224k underspend (£187k projected underspend reported to the 13th December 2022 Joint Committee meeting). Key variances within the projected outturn position include:

- Employees (£259k projected underspend) – in-year savings due to the timing of recruitment and utilisation of external grant funding, partly offset by additional Improvement Partner capacity to support the ongoing delivery of business requirements (including Curriculum for Wales);
- Premises (£47k projected 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 (£9k 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 (£46k projected overspend) – primarily due to additional one-off costs to enable investment in ICT hardware; and
- Support Services (£27k projected overspend) – increased costs as a result of the business need for further services being received from the host authority.

3.3 For Members information, within the ‘Employees’ expenditure category at Table 1 above, an estimated 2022/23 pay award for Soulbury pay spines has been incorporated based on the current National Employer’s offer, noting that negotiations are on-going.

Earmarked Reserves

3.4 Members will be aware that a £200k earmarked reserve is in place to support the on-going re-modelling of the service over the medium term. Members will also be aware that the 13th December 2022 Joint Committee meeting authorised the lead Section 151 Officer to allocate any under spend 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. Based on this, an updated earmarked reserve position will be incorporated within the 2022/23 year-end report for Members consideration.

4. GRANT FUNDED SERVICE 2022/23

4.1 Appendix 1 sets out the grant allocations received by the Consortium from Welsh Government and the projected outturn as at February 2023.

- 4.2 The Consortium has updated its Grants Register to reflect the position set out in Appendix 1 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 £224k underspend (projected as at February 2023). The Consortium will continue to closely monitor and manage its resources and a further update will be incorporated within the 2022/23 year-end report.
- 5.2 The 2022/23 Grants Register has been updated to reflect the current grant funding position and will continue to be regularly reviewed to ensure resources are maximised for the benefit of the schools and Councils within the Central South Consortium area.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

28th MARCH 2023

**CENTRAL SOUTH CONSORTIUM JOINT EDUCATION SERVICE
JOINT COMMITTEE**

List of background papers

Freestanding matter

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