

**CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE**

7TH NOVEMBER 2023

JOINT EDUCATION SERVICE

**REPORT OF THE TREASURER – UPDATE ON 2023/24 BUDGET AND
2022/23 STATEMENT OF ACCOUNTS**

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1. PURPOSE OF REPORT

1.1 To provide Members with;

1.1.1. An update of the projected outturn position for 2023/24 (projected as at August 2023);

1.1.2. A summary of 2023/24 grant funding allocations; and

1.1.3. An update on the progress of the external audit of the 2022/23 Statement of Accounts.

2. RECOMMENDATIONS

It is recommended that Members:

2.1 Note the current outturn position for 2023/24 including the approach to funding the cost implications of national pay award agreements should these be above budgeted levels set aside.

2.2 Note the current grant position for 2023/24.

2.3 Note the current position with the external audit of the 2022/23 Statement of Accounts.

3. REVENUE BUDGET 2023/24

- 3.1 The 2023/24 revenue budget was approved by Joint Committee on the 13th December 2022. A summary of the budget, projected outturn for the full year (projected as at August 2023) and variances are presented in Table 1.

Table 1 – Projected outturn position 2023/24

Category	Original Budget 2023/24 £	Projected Out-turn 2023/24 £	Variance (Under) / Over spend £
Expenditure			
Employees	3,111,384	3,095,481	(15,903)
Premises			
Rent	88,280	88,200	(80)
Maintenance	153	1,839	1,686
Hire of Venues	15,533	15,532	(1)
Other	0	222	222
Total Premises Cost	103,966	105,793	1,827
Transport	29,000	24,050	(4,950)
Supplies & Services			
Continuing Professional Development / Staff Adverts	28,250	28,266	16
Licences / Mobile & Telephone Charges / Computer Costs – Hardware / Software	73,347	63,435	(9,912)
External Audit & Actuary Fee, Employer Liability & Public Liability Insurance	53,930	53,930	0
Photocopying / Postage / Advertising / Stationery / General Office Expenses	18,377	21,503	3,126
Total Supplies & Services	173,904	167,134	(6,770)
Support Services	150,375	173,011	22,636
Gross Expenditure	3,568,629	3,565,469	(3,160)
Income			
Local Authority Contributions	3,516,129	3,516,133	(4)
Transitional Funding	33,000	26,986	6,014

Category	Original Budget 2023/24 £	Projected Out-turn 2023/24 £	Variance (Under) / Over spend £
Grants & Other Income	19,500	22,350	(2,850)
Total Income	3,568,629	3,565,469	3,160
Net Expenditure	0	0	0

3.2 The projected outturn position (projected as at August 2023) for the 2023/24 financial year is on budget with key variances set out below:

- Employees (£16k projected underspend) – partly due to updated Improvement Partner staffing costs for the year and reconfiguration of the Business Support service delivery model (see also Support Services);
- Premises (£2k projected overspend) – additional one-off costs to enable the office accommodation to be fit for purpose for agile working;
- Transport (£5k projected underspend) – the projected outturn reflects a lower estimated expenditure requirement for the year;
- Supplies & Services (£7k projected underspend) – mainly due to one off savings associated with data analytics;
- Support Services - (£23k projected overspend) – increased costs as a result of the business need for further services from the host authority;
- Transitional Funding (projected to be £6k less than budget) - based on the projected use of earmarked reserves to support the delivery of a balanced budget; and
- Grants and Income (projected to be £3k higher than budget) – in respect of unbudgeted income received for inspection work being undertaken by Central South Consortium officers.

3.4 For the purpose of this report employee costs have been projected based on pay awards in line with the planning assumptions / annual budget approved by Joint Committee on the 13th December 2022. Members will be aware that negotiations around NJC (2023/24) and Soulbury (2022/23 and 2023/24 respectively) pay awards remain ongoing.

3.5 Members will be aware that the Joint Committee, at its 23rd May 2023 meeting, approved a £609k 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 2022/23. Currently, there is £27k

forecasted spend against this reserve in 2023/24 i.e. to support the delivery of a balanced budget for the current financial year.

- 3.6 Members are asked to note that the impact of actual pay awards, over and above the assumptions made in 3.4 above, would need to be funded from the designated earmarked reserve and / or the 2023/24 revenue budget.

4 GRANT FUNDED SERVICE 2023/24

- 4.1 Table 2 sets out the 2023/24 grant allocations received by the Consortium from Welsh Government as at August 2023.

Table 2 – 2023/24 grant allocations

Grant	Total Grant 2023/24 £	Retained to Fund National Priorities 2023/24 £	Delegated to Schools/Local Authorities 2023/24 £
Regional Consortia Grant¹ (including match funding)	51,073,011	7,052,960	44,020,051
Welsh Language Framework²	77,800	77,800	0
Pupil Development Grant³			
Children Looked After	TBC	TBC	TBC
PDG Consortia Led	TBC	TBC	TBC
PDG Adviser	TBC	TBC	TBC
Total	51,150,811	7,130,760	44,020,051

- 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 2022/23 STATEMENT OF ACCOUNTS

- 5.1 The Accounts and Audit (Wales) (Amendment) Regulations 2018 require Local Authorities to certify draft Statement of Accounts by 31st May and publish audited Statement of Accounts by 31st July. Since the onset of COVID-19 in 2020, Welsh Government clarified their expectation for the extension of these timescales.

- 5.2 More recently, in the Auditor General for Wales's letter to Local Government bodies, Welsh Government and the WLGA, dated 23rd March 2023, it was explained that the introduction of a revised auditing standard and delays in completing the audit of 2021/22 accounts (as a result of a UK

¹ Distribution of grant due to be approved on 3rd October 2023

² Distribution of grant due to be approved on 3rd October 2023

³ Award of funding letter is yet to be issued by Welsh Government.

wide technical issue regarding the valuation of local government infrastructure assets) necessitated an extension to audit certification deadlines from 2022/23 Statement of Accounts and up to and including the 2024/25 financial year. Members will note that the Consortium's draft Statement of Accounts for 2022/23 was certified by the Treasurer (i.e. Rhondda Cynon Taf County Borough Council's Deputy Chief Executive and Group Director – Finance, Digital and Frontline Services) in line with the updated timescale.

- 5.3 The draft unaudited Statement of Accounts was presented to Joint Committee at its meeting of 23rd May 2023. Due to the reasons outlined above in paragraph 5.2, the Joint Committee has not received the audited accounts at this meeting. The external audit is currently underway and it is anticipated that the audited Statement of Accounts will be presented to the next Joint Committee alongside the related External Audit report.

6 CONCLUSIONS

- 6.1 The Joint Committee approved the 2023/24 revenue budget on the 13th December 2022 and the outturn position for the full year is projected to be on budget.
- 6.2 The Consortium will continue to closely monitor and manage its resources, including the impact of national pay award levels when agreed, and report updates to Joint Committee throughout the financial year.
- 6.3 The 2023/24 Grants Register has been updated to reflect the current grant funding position.
- 6.4 The 2022/23 Statement of Accounts audit is currently underway and it is anticipated that the audited accounts will be reported to the next Joint Committee meeting together with the related External Audit report.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

3rd OCTOBER 2023

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Freestanding matter

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