



CENTRAL SOUTH CONSORTIUM (CSC) JOINT EDUCATION SERVICE

JOINT COMMITTEE REPORT

12th December 2023

2023/24 BUDGET MONITORING UPDATE

JOINT REPORT OF THE MANAGING DIRECTOR AND THE TREASURER:

Authors: Clara Seery (Managing Director) and Stephanie Davies (Service Director - Finance Services)

1. PURPOSE OF REPORT

To provide Members with:

- 1.1 An update of the projected outturn position for 2023/24.
- 1.2 A summary of 2023/24 grant funding.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the current projected outturn position for 2023/24.
- 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 2023/24.

3. BUDGET MONITORING 2023/24

3.1 A summary of the 2023/24 projected outturn position is set out in Table 1.

Table 1 – Projected Outturn Position 2023/24

| Category | Original Budget 2023/24 £ | Projected Out-turn 2023/24 £ | Variance (Under) / Overspend £ |
|--|--------------------------------------|---|---|
| <u>Expenditure</u> | | | |
| Employees | 3,111,384 | 3,070,883 | (40,501) |
| Premises | | | |
| Rent | 88,280 | 88,200 | (80) |
| Maintenance | 153 | 6,839 | 6,686 |
| Hire of Venues | 15,533 | 5,332 | (10,201) |
| Other | 0 | 296 | 296 |
| Total Premises Cost | 103,966 | 100,667 | (3,299) |
| Transport | 29,000 | 24,915 | (4,085) |
| Supplies & Services | | | |
| Continuing Professional Development / Staff Adverts | 28,250 | 20,032 | (8,218) |
| Licenses / Mobile and Telephone Charges / Computer Costs – Hardware / Software | 73,347 | 60,785 | (12,562) |
| External Audit and Actuary Fee, Employers Liability and Public Liability Insurance | 53,930 | 56,665 | 2,735 |
| Photocopying / Postage / Advertising / Stationery / General Office Expenses | 18,377 | 28,098 | 9,721 |
| Total Supplies & Services | 173,904 | 165,580 | (8,324) |
| Support Services | 150,375 | 180,543 | 30,168 |
| Transitional Funding | (33,000) | 0 | 33,000 |
| Gross Expenditure | 3,535,629 | 3,542,588 | 6,959 |
| <u>Income</u> | | | |
| Local Authority Contributions | 3,516,129 | 3,516,133 | (4) |
| Grants and Other Income | 19,500 | 46,810 | (27,310) |

| Category | Original Budget 2023/24 £ | Projected Out-turn 2023/24 £ | Variance (Under) / Overspend £ |
|------------------------|--------------------------------------|---|---|
| Total Income | 3,535,629 | 3,562,943 | (27,314) |
| Net Expenditure | 0 | (20,355) | (20,355) |

3.2 The full year projected outturn position (as at November 2023) is a £20k projected underspend (£0k was reported to the 7th November 2023 Joint Committee meeting). Key variances within the projected outturn position include:

- Employees (£41k projected underspend) – due to updated Improvement Partner staffing costs for the year and reconfiguration of the Business Support service delivery model (see also Support Services);
- Premises (£3k projected underspend) – further utilisation of the Valleys Innovation Centre enabling a reduction in hire costs, partly offset by one-off adaptation costs to create additional meeting space to enable the accommodation to be fit for purpose for agile working;
- Transport (£4k projected underspend) – due to reduction in staff travel;
- Supplies and Services (£8k projected underspend) – mainly due to one-off savings associated with data analytics licenses;
- Support Services (£30k projected overspend) – increased costs as a result of the business need for further services from the host authority;
- Transitional Funding – no requirement to utilise the £33k earmarked reserve allocated to support the delivery of a balanced budget for the current year, this being managed within existing in-year resources; and
- Grants and Income (projected to be £27k higher than budget) – in respect of unbudgeted income received for inspection work being undertaken by Central South Consortium officers, plus anticipated bank interest income.

3.3 Members will be aware that national negotiations for Soulbury (2022/23 and 2023/24) pay awards remain ongoing. For the purpose of this report, such 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.

3.4 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 2022/23 Statement of Accounts included a Service Remodeling Earmarked Reserve of £609k; for the year to date, there are no costs which require to be funded from this reserve.

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 November 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 Grant (including match funding) | 51,073,011 | 7,052,960 | 44,020,051 |
| Welsh Language Framework | 77,800 | 77,800 | 0 |
| Pupil Development Grant¹ | | | |
| 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's Grants Register reflects the position set out in Table 2, with robust arrangements in place to monitor expenditure and ensure their use and effectiveness is maximised across the region.

5. CONCLUSIONS

- 5.1 The projected outturn position for the full year is a £20k underspend (as at November 2023) 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 2023/24 Grants Register reflects the current grant funding position with robust monitoring arrangements in place to ensure the use of grant funding is optimised across the region.

¹ Award of funding letter is yet to be issued by Welsh Government.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

12th DECEMBER 2023

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Freestanding matter

Officers to Contact:

Mrs. Clare Seery (Tel No. 01443 281400)

Ms. Stephanie Davies (Tel No. 01443 680560)