



CENTRAL SOUTH CONSORTIUM JOINT EDUCATION SERVICE COMMITTEE

14TH SEPTEMBER 2015

REPORT OF THE TREASURER

2015/16 BUDGET

**Author: Martyn Pennell, Group Accountant
Tel. No. 01443 680384**

1. PURPOSE OF REPORT

- 1.1 To seek the Joint Committee's approval of the revised 2015/16 revenue budget.
- 1.2 To provide Members with an update of the projected outturn for 2015/16.
- 1.3 To provide Members with a summary of 2015/16 grant funding.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note and approve the proposed virements within the 2015/16 budget.
- 2.2 Note the current outturn position for 2015/16.
- 2.3 Note the current grant position for 2015/16

3. REVENUE BUDGET 2015/16

- 3.1 The 2015/16 budget was agreed by Joint Committee on 17th December 2014 and subsequently approved by each Local Authority at the meeting on 26th March 2015. As part of the on-going monitoring of costs in the Consortium a number of proposed budget virements within categories of expenditure and income have been identified. The overall effect of these virements, which do not impact upon the value of contributions from the

constituent authorities, is shown in the summary below. Comments are provided to support the major variances.

Category	Original Budget 2015/16 £	Revised Budget 2015/16 £	Variance £
Expenditure			
Employees	3,828,632	3,797,269	(31,363)
Premises	482,580	458,867	(23,713)
Transport	65,000	57,500	(7,500)
Supplies & Services	260,444	448,850	188,406
Repayment of Redundancy Costs	100,000	100,000	0
Commissioning (Additional support for schools)	210,270	60,000	(150,270)
Support Services	90,000	110,000	20,000
Gross Expenditure	5,036,926	5,032,486	(4,440)
Income			
LA Contributions	4,416,486	4,416,486	0
Ty Dysgu Income	300,440	331,000	(30,560)
Grants & Other Income	320,000	285,000	35,000
Total Income	5,036,926	5,032,486	4,440
Net Expenditure	0	0	0

- Employees – The original budget was built upon a 1% assumed pay award for 14/15 and 15/16 for both APT&C and Soulbury staff. However 2.2% was actually agreed for both categories of staff. This increase was offset by 3.1 vacant Challenge Advisor posts budgeted from the Autumn Term due to staggered appointments made.

Transport – Budget reduced to reflect actual claimed by staff in 14-15 and the reduction of costs from 45p-35p per mile.

- Supplies and Services – Realigned general costs due to efficiency drive on operational costs. However budget increased due to additional costs of running the Hub and Managed Program which is offset by additional income to be realised as a result of increased courses.
- Commissioning – Existing commitments within this budget have now ceased. Offset by new commitments for MIS development of the Portal, Governor associated costs and Staff CPD.
- Support Services - Realigned costs of Broadband from support services into the SLA also inflation uplift built in.
- Ty Dysgu Income – Increased all prices by inflationary uplift of 4.6%

- Grant income - £250k income budget originally built in assumed to be achieved from LAs for additional support functions being centralised i.e. Governor, 14-19 and SACRE, now removed and costs built into core structure and or EIG retained grant. This is offset by additional income to be realised as a result of additional courses to be run from the Hubs.

3.2 The budget has been based upon the CSC vacating the middle floor however, there is still a risk of the income being under-achieved. This is due to vacating the floor mid-year and the required adaptations to the building being completed within the timescale.

4. BUDGET MONITORING 2015/16

4.1 A summary of the projected outturn is presented below:-

Category	Revised Budget 2014/15 £	Projected Out-turn 2014/15 £	Variance (Under)/ Over £
Expenditure			
Gross Employees	3,797,269	3,862,744	65,475
Less Secondment Income	0	(109,589)	(109,589)
Net Employees	3,797,269	3,753,155	(44,114)
Premises			
Rent	217,500	270,000	52,500
Utilities	61,500	61,500	0
NNDR	125,917	156,671	30,754
Maintenance	33,200	33,236	36
Other	20,750	20,750	0
Total Premises Cost	458,867	542,157	83,290
Transport	57,500	57,500	0
Supplies & Services			
CPD	25,000	25,000	0
Licences	24,000	31,465	7,465
Mobile & Telephone Charges	23,000	23,000	0
Photocopying / Postage / Advertising / Stationary	49,500	49,500	0
Computer Costs – Hardware/Software/Maintenance	11,500	11,500	0
Hospitality & Awards	10,000	10,000	0
External Audit & Actuary Fee	20,000	20,000	0
General Office Expenses	12,350	3,682	(8,668)
Managed Program Support Costs	60,000	114,250	54,250
Hub Support Costs	150,000	211,747	61,747
Restaurant Provisions	63,500	64,346	846

Category	Revised Budget 2014/15 £	Projected Out-turn 2014/15 £	Variance (Under)/ Over £
Total Supplies & Services	448,850	564,490	115,640
Repayment of Redundancy Costs	100,000	100,000	0
Commissioning (Additional support for schools)			
Governor Support	20,000	20000	0
Portal Development	40,000	45,736	5,736
Total Commissioning	60,000	65,736	5,736
Support Services	110,000	110,000	0
Gross Expenditure	5,032,486	5,193,038	160,552
Income			
LA Contributions	4,416,486	4,416,486	0
Ty Dysgu Income	140,000	140,600	(600)
Grants & Other Income	11,000	24,240	(13,240)
Catering Income	180,000	179,000	1,000
Hub Income	185,000	239,375	(54,375)
Managed Program Income	100,000	185,170	(85,170)
Total Income	5,032,486	5,184,871	(152,385)
Net Expenditure	0	8,167	8,167

4.2 Reasons for the variances Include:

- Employees - £31k Underspend achieved due to staggered appointments within the new structure offset by additional costs on Challenge Advisors budget in respect of appointments made above the average grade due to consultancy etc
- Premises – £83k pressure - The Rent and NNDR budgets were reduced in line with plans to hand back middle floor to RCT however, as plans have now been postponed full costs will be realised resulting in a pressure on the budget.
- Supplies & Services – The Hub and Managed program support costs are higher than budgeted due to additional courses run offset by additional income received.
- Commissioning – Portal development is ongoing and currently at tender stage for the new supplier
- Income – Additional income for Hub and Managed program to offset additional costs as mentioned above.

5. GRANT FUNDED SERVICE 2015/16

5.1 The consortium has received the following grant allocations for 2015-16 from Welsh Government and Sports Wales:

Grant	Total Grant 2015-16 £	Centrally Retained Grant 2015-16 £	Delegated 2015-16 £
Education Improvement Grant for Schools (EIG) <i>Delegated to Schools/LA Retained Support Costs Literacy & Numeracy Foundation Phase Welsh in Education HLTA NQT</i>	46,599,536 <i>(incl match funding)</i>	396,539 2,565,962 471,336 1,016,646 26,357 65,555	42,057,141
Schools Challenge Cymru <i>Criteria 1 – SCC Advisors Criteria 2 – Building Capacity Criteria 3 – Schools Plans * (Delegated to Schools)</i>	TBC	TBC	TBC
Physical Literacy Program in Schools	431,000	431,000	0
CSC Regional Education Consortia – new GCSE, PISA, Science Literacy <i>(includes £142,792 slippage from 14-15)</i>	601,100	601,100	0
NQT (Summer Term)	112,218	112,218	0
HLTA (Summer Term)	33,547	33,547	
NPQH (Summer Term)	91,500	91,500	0
Yr 9 Curricula LNF	70,000	70,000	0
Yr2-6 National Numerical Reasoning Tests	5,000	5,000	0
Learning in Digital Wales	143,902	143,902	0
Mentoring and network Support for Head teachers	25,000	0	25,000
PDG (incl LAC and EY)	27,736,350		27,736,350
L&N Support for MFL	280,000		280,000
Total	76,129,153	6,030,662	70,098,491

- 5.2 The Award of Funding letter to confirm the School Challenge Cymru Grant has not yet been received. Recent communication from Welsh Government has indicated the risk of not receiving the full profile of funding requested. This will have an impact on service provision and our core budget. The Consortium is currently reviewing costs and identifying available funding in other grant streams which can be used to fund these costs , in order to maximise resources and continue to fund the whole programme.
- 5.3 The consortium will continue to monitor expenditure to ensure that the use and effectiveness of grants can be maximised across the region

6. CONCLUSION

- 6.1 The 2015/16 original budget for the CSC has now been revised.
- 6.2 The service is currently projecting a small deficit position of £8k in 2015/16 which the service will seek to deal with.
- 6.3 The 2015-16 Grants Register has been updated.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

**CENTRAL SOUTH CONSORTIUM JOINT EDUCATION SERVICE
COMMITTEE**

14 SEPTEMBER 2015

List of background papers

Freestanding Matter

Officer to Contact :

Mr Martyn Pennell

Tel no. 01443 680384

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