



AGENDA ITEM 5

CENTRAL SOUTH CONSORTIUM REPORT FOR JOINT COMMITTEE

14TH MARCH 2017

JOINT EDUCATION SERVICE

REPORT OF THE TREASURER – 2016/17 BUDGET MONITORING UPDATE

**Author: Paul Griffiths, Service Director-Performance and Improvement
Tel. No. 01443 680609**

1. PURPOSE OF REPORT

- 1.1 To provide Members with an update of the projected revenue outturn position for 2016/17.
- 1.2 To provide Members with a summary of 2016/17 grant funding.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the projected revenue outturn position for 2016/17.
- 2.2 Note the current grant position for 2016/17.

3. BUDGET MONITORING 2016/17

- 3.1 The 2016/17 revenue budget for the Central South Consortium was agreed by the Joint Committee on 9th December 2015 and was set on the basis of the service being budgeted to break-even at the year-end.
- 3.2 The Consortium is currently forecast to underspend in 2016/17 by £771, which is in line with the projected underspend of £2,622 reported to the 8th December 2016 Joint Committee meeting. A summary of the projected outturn and reasons for the variances are presented below:-

Category	Revised Budget 2016/17 £	Projected Out-turn 2016/17 £	Variance (Under)/ Over £
Expenditure			
Employees	3,502,145	3,464,494	(37,651)
Premises			
Rent	270,000	270,000	0
Utilities	55,494	49,149	(6,345)
Non-Domestic Rates	165,000	164,025	(975)
Maintenance	31,000	30,363	(637)
Other	29,250	31,078	1,828
Total Premises Cost	550,744	544,615	(6,129)
Transport	40,000	26,339	(13,661)
Supplies & Services			
CPD / Staff Adverts	40,000	69,474	29,474
Licences / Mobile & Telephone Charges/ Computer Costs – Hardware / Software	112,000	141,155	29,155
Photocopying / Postage / Advertising / Stationery / General Office Expenses	38,618	54,266	15,648
External Audit & Actuary Fee, Employer's Liability & Public Liability Insurance	55,000	54,769	(231)
Managed Program Support Costs	50,000	55,680	5,680
Restaurant Provisions	51,000	34,065	(16,935)
Governor Training	14,000	8,000	(6,000)
Training for Scrutiny	5,000	0	(5,000)
Total Supplies & Services	365,618	417,409	51,791
Repayment of Redundancy Costs	100,000	264,078	164,078
Commissioning (Additional support for schools)			
Ipsos Mori	10,000	0	(10,000)
Local Authority Annex	86,455	0	(86,455)
Teacher Assessment	5,000	0	(5,000)
Cardiff University Research	10,000	0	(10,000)
Parliamentary Review	2,600	0	(2,600)
Prior Year Reserve adjustment	0	(200)	(200)
Total Commissioning	114,055	(200)	(114,255)

Category	Revised Budget 2016/17 £	Projected Out-turn 2016/17 £	Variance (Under)/ Over £
Support Services	126,100	123,243	(2,857)
Gross Expenditure	4,798,662	4,839,978	41,316
Income			
Local Authority Contributions	4,195,662	4,195,662	(0)
Ty Dysgu Income	400,000	384,808	15,192
Grants & Other Income	203,000	260,279	(57,279)
Total Income	4,798,662	4,840,749	(42,087)
Net Expenditure	0	(771)	(771)

3.3 Reasons for key variances include:

- Employees – (£37k projected underspend) – due to vacancy savings within the Business Support Team and the transfer of eligible staff core costs to the Education Improvement Grant to optimise the use of external funding. This position has been partly off-set by higher than anticipated expenditure on school improvement service salary costs where staffing appointments have been required at levels above the amounts budgeted;
- Transport (£13k projected underspend) – as a result of more staff being employed on a 'daily inclusive rate' that covers staff travel costs hence the reduction in the amount of travel expenses being claimed;
- Supplies and Services (£51k projected overspend) - this position is due to one-off costs associated with advertising and recruiting, pressure on photocopying due to bulk copying and one-off investment costs to provide officers with improved technology to enable more efficient remote working;
- Repayment of Redundancy Cost (£164k projected overspend) – further approved redundancy costs, funded in year, to continue to ensure the structure of the service aligns to current and future business needs.

Members will note that the total redundancy cost balance to repay as at 1st April 2016 of £1,057k is anticipated to reduce to £957k at year end as a result of the annual £100k budget set aside for this purpose. Work will continue throughout 2017/18 and over the medium term to identify opportunities to accelerate the repayment of the remaining balance.

- Commissioning (£114k projected underspend) – the projected underspend is due to the re-prioritising of expenditure requirements across this area; and
 - Income – the overall income position is projecting a higher level of income to be received compared to budget (i.e. £42k). Key variances within this position include:
 - Ty Dysgu - Conference Centre (£15k projected loss of income) – as a result of the higher income target set for 2016/17 not anticipated to be achieved. For Members information, the latest projection represents an improving position to that reported at the 8th December 2016 Joint Committee meeting, where the projected loss of income at this time was estimated to be £25k. The Conference Centre will continue to market the building to maximise usage and in doing so address the projected loss of income; and
 - School / Grant (additional unbudgeted income of £57k) in respect of additional Literacy and Numeracy intervention support received from the Literacy and Numeracy Central Team.
- 3.4 With regard to earmark reserves, £194k was approved to be carried forward from 2015/16, of which £165k has been spent to date. The balance of £29k has been committed for technology improvements and is intended to be spent by the year end alongside the technological improvements referred to within 'Supplies and Services' overleaf. In line with accounting rules, if the goods are not received by 31st March 2017, the Joint Committee will be requested to consider approving a earmark reserve to support this investment in technology in 2017/18.

4. **GRANT FUNDED SERVICE 2016/17**

- 4.1 The Consortium has received the following grant allocations for 2016/17 from Welsh Government and Sports Wales:

Grant	Grant Award 2016/17 £	Projected Out-turn 2016/17 £	Variance (Under)/ Over £	Comment
Education Improvement Grant for Schools (EIG)	45,227,887 (including match funding)			
Centrally retained				Additional ring fenced funding to cover: Building the

Grant	Grant Award 2016/17 £	Projected Out-turn 2016/17 £	Variance (Under)/ Over £	Comment
salaries and support cost	2,076,523	2,205,810	129,287	capacity in Leadership, Curriculum & Assessment, Pedagogy, Self Improving System and Research & Evaluation. This also includes the transfer of eligible core staff costs to the EIG.
Funding for specific circumstances	2,451,842	2,322,555	-129,287	
Additional Funding In Year for Specific Circumstances	677,500	677,500	0	
Delegated: Local Authority	5,471,773	5,471,773	0	
Delegated Schools	34,550,249	34,550,249	0	
TOTAL	45,227,887	45,227,887	0	
Pupil Deprivation Grant	29,490,750	29,490,750	0	
Learning in Digital Wales Program	150,000	150,000	0	
Qualification Reform Support Grant	100,000	100,000	0	
School Challenge Cymru				
Criteria 1	354,900	354,900	0	
Criteria 2	580,281	580,281	0	
Criteria 3	2,110,224	2,110,224	0	
Global Futures Plan (MFL)	120,000	120,000	0	
Yr2-6 National Numerical Reasoning Tests 2016	5,000	5,000	0	
GCSE Support Programme	932,801	932,801	0	
Pioneer Network – Delegated	361,935	361,935	0	
Pioneer Schools and Professional				Additional ring fenced funding to

Grant	Grant Award 2016/17 £	Projected Out-turn 2016/17 £	Variance (Under)/ Over £	Comment
Learning Development				cover the areas of: Enhanced Consortia Capacity, Workload Projects, Digital Pioneers, Welsh Professional Development skills, Enrichment and Experiences Events, Professional Standards Pilot and 3 additional Curriculum Pioneer Schools
Centrally Retained	1,089,921	1,089,921	0	
Delegated to School	715,299	715,299	0	
LNF Special Schools	25,000	25,000	0	
South Wales Valleys Project	105,000	105,000	0	
CYP Welsh Language Charter	83,800	83,800	0	
Total	81,452,798	81,452,798	0	

4.2 The Central South Consortium has received additional grant funding in year for specific circumstances and has continued to effectively manage this resource, alongside the core budget, to support its strategic priorities.

4.3 The Consortium will continue to carefully monitor expenditure through to year end to ensure the use and effectiveness of grants is maximised across the region.

5. CONCLUSION

5.1 The Service is currently projecting the delivery of a balanced budget for 2016/17.

5.2 The 2016/17 Grants Register has been updated and is being regularly reviewed to ensure that the use of external funding is maximised for the benefit of the schools and local authorities within the Consortium area.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

14th MARCH 2017

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Freestanding matter

Officer to Contact:

Mr Paul Griffiths
Tel no. 01443 680609

This page intentionally blank