

**CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE**

28TH MARCH 2019

JOINT EDUCATION SERVICE

REPORT OF THE TREASURER – 2018/19 BUDGET MONITORING UP DATE

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1. PURPOSE OF REPORT

- 1.1 To provide Members with an update of the projected revenue outturn position for 2018/19.
- 1.2 To provide Members with a summary of 2018/19 grant funding.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the projected revenue outturn position for 2018/19.
- 2.2 Note the current grant position for 2018/19.

3. BUDGET MONITORING 2018/19

3.1 A summary of the 2018/19 projected outturn position is set out in Table 1 below.

Table 1 – Projected Outturn Position 2018/19

Category	Revised Budget 2018/19 £	Projected Out-turn 2018/19 £	Variance (Under)/ Over £
Expenditure			
Employees	3,232,073	3,217,424	(14,649)
Premises			
Rent	180,833	180,633	(200)
Utilities	20,371	6,932	(13,439)
Non-Domestic Rates	27,596	22,534	(5,062)
Maintenance	4,691	49,436	44,745
Other	27,270	7,165	(20,105)
Total Premises Cost	260,761	266,700	5,939
Transport	34,333	26,287	(8,046)
Supplies & Services			
Continuing Professional Development / Staff Adverts	32,600	30,212	(2,388)
Licences / Mobile & Telephone Charges/ Computer Costs – Hardware / Software	72,853	66,357	(6,496)
Photocopying / Postage / Advertising / Stationery / General Office Expenses	63,420	63,216	(204)
External Audit & Actuary Fee, Employer's Liability & Public Liability Insurance	56,220	56,220	0
Managed Program Support Costs	1,000	0	(1,000)
Restaurant Provisions	2,917	1,519	(1,398)
Governor Training	3,000	0	(3,000)
Communication Strategy	5,000	0	(5,000)
Total Supplies & Services	237,010	217,524	(19,486)
Repayment of Redundancy Costs			
Total In-Year Redundancy Costs	0	306,661	306,661
Local Authority Contribution Made Towards 2018/2019 Redundancy Costs	0	(170,963)	(170,963)
Net In-Year Redundancy Costs To	100,000	135,698	35,698

Category	Revised Budget 2018/19 £	Projected Out-turn 2018/19 £	Variance (Under)/ Over £
Be Met By The Consortium			
Support Services	120,230	116,264	(3,966)
Gross Expenditure	3,984,407	3,979,897	(4,510)
Income			
Local Authority Contributions	3,906,161	3,906,161	0
Ty Dysgu Income	19,306	19,484	(178)
Grants & Other Income	58,940	57,562	1,378
Total Income	3,984,407	3,983,207	1,200
Net Expenditure	0	(3,310)	(3,310)

3.2 The projected outturn position (as at February 2019) is a £3.3k underspend (a projected outturn position of £2.2k underspend was forecast as at November 2018 and reported to the December 2018 Joint Committee meeting). Key variances within the projected outturn position (Table 1) include:

- Employees – (£15k projected underspend) – primarily due to vacancy savings within the Business Support Team and charging eligible staff costs to external grant funding.
- Premises (£6k projected overspend) – the position includes one-off costs associated with the reconfiguration / refurbishment works at the Valleys Information Centre and have been partly off-set by lower costs incurred during the occupation of Ty Dysgu in the first half of the financial year.
- Transport (£8k projected underspend) – the projected underspend is primarily due to lower than anticipated relocation costs to that budgeted following the relocation from Ty Dysgu to the Valleys Innovation centre.
- Supplies and Services (£20k projected underspend) – forecasted underspends across a number of supplies and services budget areas, for example, licences, governor training and communication strategy. This has been partly off-set by the one-off costs associated with the ISOS review¹.

¹ ISOS Review – the agreement to proceed with the review was endorsed at the 8th November 2018 Joint Committee meeting.

- Repayment of Redundancy costs (£36k projected overspend) - the projected overspend relates to approved costs incurred in 2018/19 to support the on-going programme of restructuring within the Service.
- Income – projected to be £1k lower than budgeted in line with current levels of 'Grant and Other Income' forecasted to be received during the year.

3.3 With regard to the £130k earmark reserve approved by Joint Committee to support the remodelling of the service, £65k has been spent to date and has been incorporated into the position set out in Table 1. The balance of £65k has been committed for future service remodelling and in line with accounting rules, if the costs are not incurred by 31st March 2019, the Joint Committee will be requested to consider the carry forward of this funding into 2019/20.

4. **GRANT FUNDED SERVICE 2018/19**

4.1 The Consortium has received the following grant allocations for 2018/19 from Welsh Government, as set out in Table 2:

Table 2 – 2018/19 grant allocations and projected outturns

Grant	Grant Award 2018/19 £	Projected Out-turn 2018/19 £	Variance (Under)/ Over £	Comment
Regional Consortia School Improvement Grant (RCSIG)				
Centrally retained to fund National Priorities	10,257,595	10,257,595	0	Includes additional funding allocated to schools to create the climate for change
Delegated: Local Authority/ Delegated Schools	39,012,182	39,012,182	0	
TOTAL RCSIG <i>(including match funding of £2.989M)</i>	49,269,777	49,269,777	0	
Pupil Development Grant (PDG)				
Centrally retained to fund National Priorities	326,070	296,570	(29,500)	
Delegated:				

Grant	Grant Award 2018/19 £	Projected Out-turn 2018/19 £	Variance (Under)/ Over £	Comment
Local Authority/ Delegated Schools	31,275,251	31,304,751	29,500	Includes funding allocated to Children Looked After (CLA) that are residing outside of the principality
TOTAL RCSIG	31,601,321	31,601,321	0	
Total	80,871,098	80,871,098	0	

4.2 The Central South Consortium has received additional grant funding in year for specific initiatives 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. CONCLUSIONS

5.1 The Central South Consortium is projecting to deliver a balanced revenue budget for the 2018/19 financial year. The position will continue to be closely monitored through to year-end to ensure the Consortium continues to make the best use of resources.

5.2 The 2018/19 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 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 2019

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Freestanding matter

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