

**CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE**

17 DECEMBER 2013

JOINT EDUCATION SERVICE

REPORT OF THE TREASURER

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1. PURPOSE OF REPORT

- 1.1 To provide Members with details of the projected outturns for 2013/14 for the Central South Consortium School Improvement Service (SIS); Welsh in Education (WEG) and the Learning & Innovation Network for Schools (LINKS).

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the projected outturn for the CSC SIS; WEG and LINKS.
- 2.2 Approve the retention of the 2012/13 reserves by the consortium for the reasons as detailed at paragraph 4.3.

3. BUDGET MONITORING 2013/14

- 3.1 On 17 October 2012 the Joint Committee was presented with proposed budgets for 2013/14 for CSC SIS and CSC LINKS, which were subsequently approved by the constituent Authorities. A summary of the projected outturn for the 2013/14 financial year is presented here for information.

SCHOOL IMPROVEMENT SERVICE

Category	Revised Budget 2013/14 £	Projected Out-turn 2013/14 £	Variance (Under)/ Over £
Expenditure			
Employees	3,475,523	3,254,966	(220,557)
Premises	216,450	183,101	(33,349)
Transport	65,303	65,303	0
Supplies & Services	114,681	193,636	78,955
Commissioning (Additional support for schools)	600,000	687,751	87,751
Support Services	83,000	83,000	0
Gross Expenditure	4,554,957	4,467,757	(87,200)
Income			
Bridgend	693,359	693,359	0
Cardiff	1,525,297	1,525,297	0
Merthyr Tydfil	295,094	295,094	0
Rhondda Cynon Taf	1,250,876	1,250,876	0
Vale of Glamorgan	651,860	651,860	0
Other Income	0	4,972	(4,972)
Grant Income	138,471	105,500	32,971
Total Income	4,554,957	4,526,958	27,999
(Surplus)/Deficit	0	(59,201)	(59,201)

3.2 Reasons for the variances include:

- Employees – The budget was prepared based on the estimated resource requirements identified in the original PWC business case. The service has managed its staffing based on the actual requirements during the year. This has resulted in part year vacancies and use of seconded heads and agency staff at varying pay rates.
- Premises – Reduced rental charge for Ty Dysgu.
- Supplies & Services – Additional purchase of equipment, the development of a new consortium website and staff advertising costs were not budgeted for in the year.
- Commissioning Budget – See 3.3 below.

3.3 The SIS has a commissioning budget of £600k available to provide additional support to schools where required. The actual expenditure to date and full year projection for this budget are as follows:

Description	Actual as at end November £	Projected Outturn £
Leadership Support		
- ISOS Consultants	4,544	82,344
- Specialist Consultant	0	20,000
Development of the CSC Portal		
- Software Development	15,160	15,160
- Development Costs – Staffing	0	23,391
Commissioning Projects		
- Education London	67,313	86,213
- Level 2 Inclusive	0	16,800
- Aspire Pathfinder	0	28,575
- ICT Hwb Strategy	2,733	91,556
- Outstanding Teacher Programme	0	40,000
- Improving Teacher Programme	0	60,000
- Achievement for All	0	60,000
- Additional Specialist Support	0	48,820
- Regional Leaders of Education	0	18,603
- Commissioning in C&D Schools	0	40,000
SIS Conference Events	0	
- Literacy & Numeracy Strategy	1,289	1,289
- Excellence in Teaching Event	25,000	25,000
Secondment of Head of Service	0	30,000
Total	116,039	687,751

3.4 Directors are currently reviewing the commitments for the commissioning budget to ensure that it is used effectively within the current financial year.

3.5 In addition to the commissioning budget there will be a need to develop a budget for the school-led improvement work led by Mel Ainscow. Early estimates suggest that this work would be split to cover the work of the strategy group for one day a week each, the SIG facilitators and the seed funding for the groups themselves. The funding for this proposal would be split over the two financial years and will depend on the nature of the final proposals.

3.6 The detailed financial information for the School Improvement Service is shown in Appendix 1.

WELSH IN EDUCATION

Category	Revised Budget 2013/14 £	Projected Out-turn 2013/14 £	Variance (Under)/ Over £
Expenditure			
Employees	875,726	806,598	(69,128)
Premises	45,914	38,756	(7,158)
Transport	25,116	25,116	0
Supplies & Services	44,105	120,391	76,286
Commissioning (Additional support for schools)	0	0	0
Support Services	31,922	31,922	0
Gross Expenditure	1,022,783	1,022,783	0
Income			0
Bridgend	150,014	150,014	0
Cardiff	367,209	367,209	0
Merthyr Tydfil	71,503	71,503	0
Rhondda Cynon Taf	289,972	289,972	0
Vale of Glamorgan	144,085	144,085	0
Total Income	1,022,783	1,022,783	0
Net Expenditure	0	0	0

3.7 Reasons for the variances Include:

- Employees – Vacant posts during the year, partly offset by external support costs within Supplies & Services.
- Premises - Reduced rental charge for Ty Dysgu.
- The Athrawon Bro service used external consultants and secondments from schools to cover for the vacant posts in the service. These costs are within the supplies and services budget.

3.8 The detailed financial information for Welsh in Education is shown in Appendix 2.

LEARNING & INNOVATION NETWORK FOR SCHOOLS

Category	Revised Budget 2013/14 £	Projected Out-turn 2013/14 £
Expenditure		
Employees	1,369,990	1,482,832
Premises	393,545	332,195
Transport	35,163	31,386
Supplies & Services	154,475	218,456
Commissioning ***	674,631	0
Specialist Support	80,000	60,626
Support Services	44,691	44,691
Gross Expenditure	2,752,495	2,170,186
Income		
Restaurant & External Use of Building	399,500	395,473
School Income	2,245,974	1,232,124
External Contracts	0	284,505
School Improvement Service	200,000	154,952
Grant Contributions	0	47,600
Total Income	2,845,474	2,114,654
(Surplus)/Deficit	(92,979)	55,532

*** The Commissioning budget provides flexibility to resource to service demand levels as the service grows, with the potential for full-time appointments to be made once income levels are determined.

Grant funded costs within LiNKS are as follows (not included in table above):

	Revised Budget 2013/14 £	Projected Out-turn 2013/14 £
Employees	791,392	790,130
Supplies & Services	1,116,000	1,020,292
Grant Income	(1,907,392)	(1,810,422)
Required Funding	0	0

3.9 Reasons for the Variances Include:

- Employees – A temporary appointment of a maths specialist to deliver a particular intervention package in schools and the use of temporary additional external resources to provide support.
- Premises – Reduced rental charge for Ty Dysgu.

- Supplies & Services – Unbudgeted advertising costs and additional external conference facility hire costs.
- Commissioning & Income – Additional staff not required in 2013/14. Offset by reduction in projected income.

3.10 An analysis of the current and projected school income on an authority basis is provided below for information:

Authority	Actual & Committed Income to 06/12/13 £	Projected Full Year Income £
Cardiff	268,942	350,280
Bridgend	177,534	231,227
Merthyr Tydfil	98,197	127,895
Rhondda Cynon Taf	310,284	404,125
Vale of Glamorgan	91,057	118,597
Total	946,014	1,232,124

3.11 The detailed financial information for the Learning and Innovation Network for Schools service is shown in Appendix 3.

3.12 The current projections show that the service will be in deficit by the year-end. In order to deal with this, the Consortium Senior Leadership team are charged with bringing the position back to at least a break even and are conducting a full and detailed review of income and expenditure for the service to be finalised in January 2014, the results of which will be reported to the Executive Board and to the next Joint Committee meeting.

4. USE OF 2012/13 RESERVES

4.1 Under the terms of the draft CSC legal agreements the Joint Committee is required to decide upon the treatment of any surplus or deficit balance held by the Joint Education Service following the completion of the audit of the accounts.

4.2 Following approval of the 2012/13 accounts at the Joint Committee meeting on the 27th September 2013 the reserves held by the consortium are as follows:

	SIS £'000	LiNKS £'000	Total £'000
Balance as at 31st March 2013	371	138	509

- 4.3 Directors have reviewed the options and recommend that the balances are retained by the consortium for the following purposes:
- To provide a contingency to cover any unforeseen issues facing the service.
 - To contribute toward any potential costs arising from the Welsh Government review of the provision of school improvement services.
 - To provide additional funding towards the school-led improvement work identified in paragraph 3.5.
- 4.4 Any decision to utilise these balances for any of the purposes detailed above or for any other purpose has to be agreed by the Joint Committee.

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

SEPTEMBER 2012

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Officer to Contact :

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Appendix 1 - School Improvement Service Budget

Budget Head	Revised Budget 2013/14 £	Projected Out-turn 2013/14 £	Variance (Under)/ Over £
Employee:			
Head of Service	98,890	95,000	(3,890)
Interim Head of Consortium	0	22,000	22,000
Project Team	0	53,638	53,638
Senior System Leaders	438,239	413,325	(24,914)
System Leaders (incl Agency)	2,449,360	2,213,521	(235,839)
Outdoor Education Adviser	62,656	61,418	(1,238)
Data Team	110,705	105,255	(5,450)
Admin & Support Services	315,673	290,809	(24,864)
Total Employee Costs	3,475,523	3,254,966	(220,557)
Non-Employee:			
Premises Costs	216,450	183,101	(33,349)
Transport	65,303	65,303	0
Supplies & Services	114,681	193,636	78,955
Commissioning	600,000	687,751	87,751
Support Services	83,000	83,000	0
Total Non-Employee Costs	1,079,434	1,212,791	133,357
Gross Expenditure	4,554,957	4,467,757	(87,200)
LA Contributions	4,416,486	4,416,486	0
Grant	138,471	105,500	32,971
Other	0	4,972	(4,972)
Total Income	4,554,957	4,526,958	27,999
(Surplus)/Deficit	0	(59,201)	(59,201)

Appendix 2 – Welsh In Education Costs (Grant Funded Service Development)

Budget Head	Revised Budget 2013/14 £	Projected Out-turn 2013/14 £	Variance (Under)/Over £
Employee:			
Manager	56,570	59,422	2,852
Teachers	783,527	614,684	(168,843)
Agency Staff	0	97,833	97,833
Admin & Support Services	35,629	34,659	(970)
Total Employee Costs	875,726	806,598	(69,128)
Non-Employee:			
Premises Costs	45,914	38,756	(7,158)
Transport	25,116	25,116	0
Supplies & Services	44,105	120,391	76,286
Support Services	31,922	31,922	0
Total Non-Employee Costs	147,057	216,185	69,128
Gross Expenditure	1,022,783	1,022,783	0
Income - WEG			
Bridgend	150,014	150,014	0
Cardiff	367,209	367,209	0
Merthyr Tydfil	71,503	71,503	0
Rhondda Cynon Taf	289,972	289,972	0
Vale of Glamorgan	144,085	144,085	0
Total Income	1,022,783	1,022,783	0
(Surplus)/Deficit	0	0	0

Appendix 3 - Learning & Innovation Network for Schools Service Budget

Budget Head	Revised Budget 2013/14 £	Projected Out-turn 2013/14 £
Employee:		
Board of Management	0	0
Head of Service	97,911	97,239
Lead Consultants	220,746	145,929
Consultants	624,951	657,477
Agency Staff	0	185,766
Restaurant Staff	54,915	49,588
Admin & Support Services	371,467	346,833
Total Employee Costs	1,369,990	1,482,832
Non-Employee:		
Premises Costs	393,545	332,195
Transport	35,163	31,386
Supplies & Services	154,475	218,456
Commissioning	674,631	0
Support Services	44,691	44,691
Specialist Support	80,000	60,626
Total Non-Employee Costs	1,382,505	687,354
Gross Expenditure	2,752,495	2,170,186
Income		
Restaurant & External Use of Building	399,500	395,473
School Income	2,245,974	1,232,124
External Contracts	0	284,505
School Improvement Service	200,000	154,952
Grant Contributions	0	47,600
Total Income	2,845,474	2,114,654
Net (Surplus) / Deficit	(92,979)	55,532