



**CENTRAL SOUTH CONSORTIUM  
REPORT FOR JOINT COMMITTEE**

**12<sup>TH</sup> FEBRUARY 2016**

**JOINT EDUCATION SERVICE**

**REPORT OF THE TREASURER – 2015/16 BUDGET MONITORING UPDATE**

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**1. PURPOSE OF REPORT**

- 1.1 To provide Members with an update of the projected outturn for the consortium for 2015/16.
- 1.2 To provide Members with a summary of the grant funding received in 2015/16.

**2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Note the current outturn position for 2015/16.
- 2.2 Note the current grant position for 2015/16.

**3. BUDGET MONITORING 2015/16**

- 3.1 The 2015/16 budget for the Central South Consortium was agreed by the Joint Committee on 17<sup>th</sup> December 2014 and subsequently approved by each Local Authority at the meeting on the 26<sup>th</sup> March 2015. The service is budgeted to break-even at the year-end.
- 3.2 The consortium is currently forecast to underspend in 2015/16 by £16k, which is in line with the surplus reported at the last meeting. A summary of the projected outturn and reasons for the variances are presented below:-

<b>Category</b>	<b>Revised Budget 2015/16 £</b>	<b>Projected Out-turn 2015/16 £</b>	<b>Variance (Under)/ Over £</b>
<b>Expenditure</b>			
Gross Employees	3,797,269	3,798,003	734
Less Secondment Income	0	(109,926)	(109,926)
<b>Net Employees</b>	<b>3,797,269</b>	<b>3,688,077</b>	<b>(109,192)</b>
<b>Premises</b>			
Rent	217,500	270,000	52,500
Utilities	61,500	50,900	(10,600)
NNDR	125,917	156,671	30,754
Maintenance	33,200	33,236	36
Other	20,750	21,518	768
<b>Total Premises Cost</b>	<b>458,867</b>	<b>532,325</b>	<b>73,458</b>
<b>Transport</b>	<b>57,500</b>	<b>27,550</b>	<b>(29,950)</b>
<b>Supplies &amp; Services</b>			
CPD	25,000	33,000	8,000
Licences	24,000	39,915	15,915
Mobile & Telephone Charges	23,000	22,654	(346)
Photocopying / Postage / Advertising / Stationery	49,500	31,696	(17,804)
Computer Costs – Hardware/Software/Maintenance	11,500	8,720	(2,780)
Hospitality & Awards	10,000	10,000	0
External Audit & Actuary Fee	20,000	32,594	12,594
General Office Expenses	12,350	8,570	(3,780)
Managed Program Support Costs	60,000	97,200	37,200
Hub School Reimbursement	150,000	256,322	106,322
Restaurant Provisions	63,500	46,419	(17,081)
<b>Total Supplies &amp; Services</b>	<b>448,850</b>	<b>587,090</b>	<b>138,240</b>
<b>Repayment of Redundancy Costs</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>
<b>Commissioning (Additional support for schools)</b>			
Governor Support	20,000	10,000	(10,000)
Portal Development	40,000	40,000	0
Cardiff University Research Paper	0	16,564	16,564
LA Annexes	0	120,000	120,000
Isonoptic	0	13,960	13,960
Business Partnership Work	0	10,000	10,000

<b>Category</b>	<b>Revised Budget 2015/16 £</b>	<b>Projected Out-turn 2015/16 £</b>	<b>Variance (Under)/ Over £</b>
Closing the Gap Cluster Capacity Building	0	105,000	105,000
The Pupil Pledge	0	1,800	1,800
Subject Leads GCSE	0	40,000	40,000
School Improvement Initiatives	0	146,657	146,657
<b>Total Commissioning</b>	<b>60,000</b>	<b>503,981</b>	<b>443,981</b>
<b>Support Services</b>	<b>110,000</b>	<b>110,000</b>	<b>0</b>
<b>Gross Expenditure</b>	<b>5,032,486</b>	<b>5,549,023</b>	<b>516,537</b>
<b>Income</b>			
LA Contributions	4,416,486	4,416,486	0
Ty Dysgu Income	140,000	174,615	(34,615)
Grants & Other Income	11,000	15,525	(4,525)
Catering Income	180,000	175,280	4,720
Hub School Income	185,000	305,090	(120,090)
Managed Program Income	100,000	211,191	(111,191)
Additional School Income	0	266,657	(266,657)
<b>Total Income</b>	<b>5,032,486</b>	<b>5,564,844</b>	<b>(532,358)</b>
<b>Net Expenditure</b>	<b>0</b>	<b>(15,821)</b>	<b>(15,821)</b>

### 3.3 Reasons for the variances include:

- Employees - £109k Underspend projected due to staggered appointments within the new structure, offset by additional costs of Challenge Advisor appointments made above the average grade due to consultancy etc. Also, there has been a transfer of eligible staff costs to the Education Improvement Grant (EIG) to maximise external funding where underspends have been forecast.
- Premises - £73k pressure - The rent and NNDR budgets were reduced in line with plans to hand back the middle floor to RCT, however as plans have now been postponed full costs will be incurred. This will be offset by income from trading the extra rooms on the floor. Slight savings have been made on utilities due to an energy efficiency exercise carried out in the building.
- Supplies & Services - £138k pressure due to the provision of additional Hub and Managed program courses, which are offset by additional income (at a lower lever than was forecast at the December meeting). Also, the Consortium is carrying out an efficiency review on all supplies and services and savings are being made where possible.

- Commissioning - £444k overspend within this category fully funded through underspends identified in the EIG, including:
  - £120k commitment added to support LA Annexes.
  - £16k costs incurred for Cardiff University to research the effectiveness of School to School working
  - £14k costs to fund data processing of 2015 results data and the provision of access to the Isonoptic website reports.
  - £10k saving on cost of Governor training due to sending training packs electronically and reduction in number of sessions.
  - £107k - The Consortium are proposing to launch a pledge (£2k) and provide capacity building support for schools (£105k) with recognised track records in Closing the Gap to develop their practice and share / be a resource for others in the region. This work has been evaluated by Ipsos Mori.
  - £10k commitment to support Business Partnership Work within Schools
  - £40k committed to support the specifications of the Subject Leads in the new GCSE's

It was reported at the last Joint Committee meeting that there is the possibility of further underspends in the EIG that could be used to release core funding for other purposes. It now looks likely that this will be the case, and a commitment of £147k for further school improvement focus in support of a teaching and learning campaign building on the ESTYN annual report and Donaldson reforms has been included within the commissioning category. As the underspend in the grant cannot be confirmed until later in the financial year it is unlikely that this additional expenditure will be incurred in 2015/16. In addition, there remains significant uncertainty around the grant funding levels for the 2016/17 financial year. Therefore, the Consortium would like to earmark any resulting balance of core funding to enable school to school working, qualifications support and leadership provision to continue to be seed funded, albeit at a lower level across the region. A report on the specific earmarking proposals will be prepared for the Directors in March with recommendations being presented to the next Joint Committee.

- Income - Additional income for Hub and Managed program to offset additional costs as mentioned above. Also the transfer of match funding from the EIG.

#### **4. GRANT FUNDED SERVICE 2015/16**

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

<b>Grant</b>	<b>Grant Award 2015/16 £</b>	<b>Projected Out-turn 2015/16 £</b>	<b>Variance (Under)/ Over £</b>	<b>Comment</b>
<b>EIG</b>				
<i>Support / Admin Costs</i>	396,539	418,092	21,553	Underspends have occurred within salaries due to staggered appointments to fill vacant posts. A full establishment is now in place. The one off savings have been utilised to fund further eligible project work in order to maximise the use of the grant.
<i>Literacy &amp; Numeracy</i>	2,549,962	2,830,014	280,052	
<i>Foundation Phase</i>	452,335	373,503	(78,832)	
<i>Welsh in Education</i>	1,051,646	1,003,677	(47,969)	
<i>Subject Development Specialists</i>	421,291	271,299	(149,992)	
<i>NQT</i>	65,555	65,555	0	
<i>HLTA</i>	26,357	19,246	(7,111)	
<b>Total Retained</b>	<b>4,963,685</b>	<b>4,981,386</b>	<b>17,701</b>	
<b>Delegated</b>	<b>42,119,391</b>	<b>42,119,391</b>	<b>0</b>	
<b>Total EIG</b>	<b>47,083,076</b>	<b>47,100,777</b>	<b>17,701</b>	
PDG	24,803,100	24,803,100	0	
LAC	1,328,315	1,328,315	0	
LAC Retained	18,835	18,835	0	
Early Years	1,586,100	1,586,100	0	
<b>Total PDG</b>	<b>27,736,350</b>	<b>27,736,350</b>	<b>0</b>	
Learning in Digital Wales Program	143,902	143,902	0	
Qualified for Life	743,892	743,892	0	
<b>School Challenge Cymru</b>				
Criteria 1	309,475	309,475	0	
Criteria 2	1,200,000	1,200,000	0	
Criteria 3	4,127,741	4,127,741	0	
	<b>5,637,216</b>	<b>5,637,216</b>	<b>0</b>	
Welsh BaccaLaureate	81,000	55,229	(25,771)	Current underspend on project. Looking to re-profile to schools supporting WBACC (To be agreed by WG)
Physical Literacy Programme in Schools	555,985	464,821	(91,164)	Current underspend on project. Looking to re-profile to schools (To be agreed by WG)

<b>Grant</b>	<b>Grant Award 2015/16 £</b>	<b>Projected Out-turn 2015/16 £</b>	<b>Variance (Under)/ Over £</b>	<b>Comment</b>
Yr 9 Curricula LNF	70,000	70,000	0	
South Wales Valleys Project	105,000	105,000	0	
Regional Consortia Qualification Support	100,000	100,000	0	
HLTA Slippage 14-15	33,547	33,547	0	
NQT 14-15 Slippage	112,218	112,218	0	
Foundation Phase 14-15 slippage	159,382	159,382	0	
NPQH 14-15 Slippage	91,500	91,500	0	
Mentoring and Network Support for Headteachers – Aug 15	30,000	30,000	0	
Mentoring and Network Support for Headteachers – Aug 16	25,000	25,000	0	
Support Lit/Num/Foreign Languages	280,000	280,000	0	
Modern Foreign Languages	120,000	120,000	0	
Yr2-6 National Numerical Reasoning Tests 2015	5,000	5,000	0	
<b>Total</b>	<b>83,113,068</b>	<b>83,013,834</b>	<b>(99,234)</b>	

4.2 The Consortia retained element of the EIG has incurred savings due to the staggered appointment of vacancies within the new structure. This has allowed the eligible transfer of salary costs from the core budget to relieve pressures on the core budget. Also, part of the Literacy & Numeracy match funding has been transferred to fund further commitments within the Consortia Commissioning budget.

4.3 The consortium will continue to monitor expenditure to ensure that the use and effectiveness of grants can be maximised across the region.

## **5. CONCLUSION**

5.1 The service is currently projecting a surplus position of £16k in 2015/16.

5.2 The 2015/16 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 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**

**12<sup>th</sup> FEBRUARY 2016**

**CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE**

**List of background papers**

Freestanding matter

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