



**CENTRAL SOUTH CONSORTIUM  
REPORT FOR JOINT COMMITTEE**

**13<sup>TH</sup> SEPTEMBER 2018**

**JOINT EDUCATION SERVICE**

**REPORT OF THE TREASURER – 2018/19 BUDGET**

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**PURPOSE OF REPORT**

- 1.1 To seek the Joint Committee's approval for proposed budget virements to be made to the 2018/19 revenue budget.
- 1.2 To provide Members with an update of the projected outturn for 2018/19 (projected as at August 2018).
- 1.3 To provide Members with a summary of 2018/19 grant funding allocations.

**2. RECOMMENDATIONS**

It is recommended that Members:

- 2.1 Note and approve the proposed budget virements within the 2018/19 budget.
- 2.2 Note the current outturn position for 2018/19.
- 2.3 Note the current grant position for 2018/19.

**3. REVENUE BUDGET 2018/19**

- 3.1 The 2018/19 revenue budget was agreed by Joint Committee on the 5<sup>th</sup> December 2017. Since this time, a number of proposed budget virements within categories of expenditure and income have been identified, informed by up dated service information, to more accurately reflect the actual costs to be incurred during the year. The overall effect of the

proposed virements would not impact upon the value of contributions from the constituent authorities and are shown in Table 1.

Table 1 – Proposed budget virements

<b>Category</b>	<b>Original Budget 2018/19 £</b>	<b>Revised Budget 2018/19 £</b>	<b>Proposed Budget Virement £</b>
<b>Expenditure</b>			
Employees	3,311,518	3,232,073	(79,445)
Premises	335,500	260,761	(74,739)
Transport	34,333	34,333	0
Supplies & Services	227,407	237,010	9,603
Repayment of Redundancy Costs	100,000	100,000	0
Support Services	120,230	120,230	0
<b>Gross Expenditure</b>	<b>4,128,988</b>	<b>3,984,407</b>	<b>(144,581)</b>
<b>Income</b>			
Local Authority Contributions	3,906,161	3,906,161	0
Ty Dysgu Income	153,036	19,306	133,730
Grants & Other Income	69,791	58,940	10,851
<b>Total Income</b>	<b>4,128,988</b>	<b>3,984,407</b>	<b>144,581</b>
<b>Net Expenditure</b>	<b>0</b>	<b>0</b>	<b>0</b>

3.2 The main reasons for the proposed budget virements to the Original Budget set are as follows:

- ‘Employees’, ‘Premises’, ‘Supplies and Services’ and ‘Ty Dysgu Income’ budgets – the Original Budgets assumed continuation of the conference and restaurant facilities until the end of the Summer Term 2018. The actual cessation date was 30<sup>th</sup> April 2018 and therefore the budgets within these Categories have been realigned accordingly; and
- Grants and Other Income – the ‘Grants & Other Income’ budget has been revised based on more up to date information regarding income generation potential.

3.3 The Joint Committee is requested to approve the proposed budget virements, as set out in Table 1, to more accurately reflect the actual costs to be incurred during the year.

## Budget Monitoring 2018/19

- 3.4 A summary of the revised budget, projected outturn for the full year (projected as at August 2018) and variances are presented in Table 2.

Table 2 – Projected outturn position 2018/19

Category	Revised Budget 2018/19 £	Projected Out-turn 2018/19 £	Variance (Under) / Over spend £
<b>Expenditure</b>			
Gross Employees	3,232,073	3,179,531	(52,542)
Less Secondment Income	0	0	0
<b>Net Employees</b>	<b>3,232,073</b>	<b>3,179,531</b>	<b>(52,542)</b>
<b>Premises</b>			
Rent	180,833	180,833	0
Utilities	20,371	20,825	454
Non Domestic Rates	27,596	27,097	(499)
Maintenance	4,691	4,691	0
Other	27,270	28,016	746
<b>Total Premises Cost</b>	<b>260,761</b>	<b>261,462</b>	<b>701</b>
<b>Transport</b>	<b>34,333</b>	<b>34,333</b>	<b>0</b>
<b>Supplies &amp; Services</b>			
Continuing Professional Development / Staff Adverts	32,600	32,600	0
Licences / Mobile & Telephone Charges / Computer Costs – Hardware / Software	72,854	74,440	1,586
Photocopying / Postage / Advertising / Stationery / General Office Expenses	63,420	62,204	(1,216)
External Audit & Actuary Fee, Employer Liability & Public Liability Insurance	56,220	56,220	0
Managed Program Support Costs	1,000	1,000	0
Restaurant Provisions	2,916	1,677	(1,239)
Governor Training	0	0	0

Category	Revised Budget 2018/19 £	Projected Out-turn 2018/19 £	Variance (Under) / Over spend £
Induction Program Elected Members, Partnership Framework Development	8,000	8,000	0
<b>Total Supplies &amp; Services</b>	<b>237,010</b>	<b>236,141</b>	<b>(869)</b>
<b>Repayment of Redundancy Costs</b>			
Total In-Year Redundancy Costs	0	320,963	320,963
Local Authority Contribution Made Towards Redundancy Costs	0	(170,963)	(170,963)
<b>Net In-Year Redundancy Costs To Be Met By The Consortium</b>	<b>100,000</b>	<b>150,000</b>	<b>50,000</b>
<b>Support Services</b>	<b>120,230</b>	<b>120,230</b>	<b>0</b>
<b>Gross Expenditure</b>	<b>3,984,407</b>	<b>3,981,697</b>	<b>(2,710)</b>
<b>Income</b>			
Local Authority Contributions	3,906,161	3,906,161	0
Ty Dysgu Income	19,306	19,484	(178)
Grants & Other Income	58,940	59,634	(694)
<b>Total Income</b>	<b>3,984,407</b>	<b>3,985,279</b>	<b>(872)</b>
<b>Net Expenditure</b>	<b>0</b>	<b>(3,582)</b>	<b>(3,582)</b>

3.5 The projected outturn position (projected as at August 2018) is a £3.5k underspend and reasons for key variances are set out below:

- Employees (£53k projected underspend) – primarily due to vacant posts being held within the Business Support Team; and
- Repayment of redundancy costs (£50k projected overspend) – this relates to in-year redundancy costs to be funded by the Consortium in relation to the remodelling of the service.

- 3.6 Members will be aware the Joint Committee approved a £130k earmark reserve at its 15<sup>th</sup> March 2018 meeting to support the remodelling of the service over the medium term and was included in the draft certified Statement of Accounts for 2017/18. For the purposes of this budget monitoring up date, the earmark reserve funding has been fully committed.

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

- 4.1 Table 3 sets out the 2018/19 grant allocations received by the Consortium from Welsh Government as at August 2018.

Table 3 – 2018/19 grant allocations

<b>Grant</b>	<b>Total Grant</b>	<b>Retained to Fund National Priorities</b>	<b>Delegated to Schools/Local Authorities</b>
	<b>2018-19 £</b>	<b>2018-19 £</b>	<b>2018-19 £</b>
<b>Regional Consortia School Improvement Grant</b> (including match funding)	<b>45,182,300</b>	<b>9,222,871</b>	<b>35,959,429</b>
<b>Pupil Development Grant</b>	<b>31,405,050</b>	<b>396,000</b>	<b>31,009,050</b>
Main	25,785,300	0	25,785,300
Early Years	3,621,100	0	3,621,100
Children Looked After	1,675,550	296,000	1,379,550
Education Other Than At School	223,100	0	223,100
Pupil Deprivation Grant Adviser	100,000	100,000	0
<b>Total</b>	<b>76,587,350</b>	<b>9,618,871</b>	<b>66,968,479</b>

#### **Regional Consortia School Improvement Grant 2018/19**

- 4.2 For Members information, the total award of funding is £42,193,278 over the period 1<sup>st</sup> April 2018 to 31<sup>st</sup> March 2019 and is also subject to Local Authority match funding of £2,989,022 (equating to a total grant of £45,182,300 as per Table 3).
- 4.3 Following on, other key information in relation to the Regional Consortia School Improvement Grant is:
- This is a new grant which incorporates a number of previously stand alone grants namely, Education Improvement Grant, Raising Schools Standards, Pioneer Schools Network Development and Learning in

Digital Wales, together with an allocation for in-year flexibilities for individual regional projects agreed with Welsh Government and to be utilised during the Summer Term 2018. The purpose of the funding is to support the regional Consortium and the related authorities within the Consortium in delivering Welsh Government aspirations and priorities for schools and education outlined within Ambitious and Learning from 'Prosperity for All: the national strategy' and the plan of action for education, 'Education in Wales'.

- Funding will also support the Consortium to deliver against Welsh Government national priorities for education, at the centre of which is a transformational curriculum and a focus on four key enabling objectives which will support (the outcomes will be supported by a range of measures and key performance indicators, as outlined in the Consortium's Business Plan):
  - Developing and delivering a high quality education profession;
  - Inspirational leaders working collaboratively to raise standards;
  - Strong and inclusive schools committed to excellence, equity and well-being; and
  - Robust assessment, evaluation and accountability arrangements supporting a self-improving system.

4.4 The Consortium has up dated its Grants Register to reflect the position set out in Table 3 and will continue to monitor expenditure to ensure the use and effectiveness of grants are maximised across the region.

## **5. CONCLUSIONS**

5.1 Following the Joint Committee approving the 2018/19 revenue budget on the 5<sup>th</sup> December 2017, a number of proposed budget virements have been identified, informed by up dated service information, to more accurately reflect the actual costs to be incurred during the year.

5.2 The projected outturn position for the full year is a £3.5k underspend (projected as at August 2018) and the Consortium will continue to closely monitor and manage its resources and report up dates to Joint Committee throughout the year.

5.3 The 2018/19 Grants Register has been updated to reflect the current grant funding position.

**LOCAL GOVERNMENT ACT 1972**

**AS AMENDED BY**

**THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985**

**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**13<sup>th</sup> SEPTEMBER 2018**

**CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE**

**List of background papers**

Freestanding matter

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