

**CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE**

19TH MARCH 2020

JOINT EDUCATION SERVICE

REPORT OF THE TREASURER – 2019/20 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 2019/20.
- 1.2 To provide Members with a summary of 2019/20 grant funding.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note the projected revenue outturn position for 2019/20 and the previously agreed retention of any underspend to support medium term planning and resourcing as detailed at para 3.3; and
- 2.2 Note the current grant position for 2019/20.

3. BUDGET MONITORING 2019/20

3.1 A summary of the 2019/20 projected outturn position is set out in Table 1 below.

Table 1 – Projected Outturn Position 2019/20

Category	Revised Budget 2019/20 £	Projected Out-turn 2019/20 £	Variance (Under)/ Over £
<u>Expenditure</u>			
Employees	3,116,886	2,982,833	(134,053)
Premises			
Rent	220,000	181,063	(38,937)
Maintenance	0	10,145	10,145
Other	15,000	11,389	(3,611)
Total Premises Cost	235,000	202,597	(32,403)
Transport	35,000	30,370	(4,630)
Supplies & Services			
Continuing Professional Development / Staff Adverts	31,420	36,770	5,350
Licences / Mobile & Telephone Charges/ Computer Costs – Hardware / Software	74,896	67,359	(7,537)
Photocopying / Postage / Advertising / Stationery / General Office Expenses	57,101	76,533	19,432
External Audit & Actuary Fee, Employer's Liability & Public Liability Insurance	56,220	56,220	0
Induction Program Elected Members, Partnership Framework Development	3,000	0	(3,000)
Communication Strategy	5,000	0	(5,000)
Total Supplies & Services	227,637	236,882	9,245
Support Services	120,230	117,078	(3,152)
Gross Expenditure	3,734,753	3,569,760	(164,993)
<u>Income</u>			
Local Authority Contributions	3,710,853	3,710,853	0
Grants & Other Income	23,900	44,541	(20,641)
Total Income	3,734,753	3,755,394	(20,641)

Category	Revised Budget 2019/20 £	Projected Out-turn 2019/20 £	Variance (Under)/ Over £
Net Expenditure	0	(185,634)	(185,634)

3.2 The full year projected outturn position (projected as at February 2020) is a £186k underspend (£185k projected underspend reported to the 21st January 2020 Joint Committee meeting). Key variances within the projected outturn position (Table 1) include:

- Employees (£134k underspend) – lower than budgeted employee costs as part of undertaking planning work for the implementation of recommendations included within the ISOS review.
- Premises (£32k projected underspend) – in-year early delivery of premises savings through the optimisation of accommodation at the Valleys Innovation Centre that has enabled office space to be vacated; this has resulted in lower rental costs than budgeted.
- Transport (£5k projected underspend) – lower than anticipated travelling expenses costs incurred following relocation to the Valleys Innovation Centre.
- Supplies & Services (£9k projected overspend) – due to one-off costs associated with the ISOS Review.
- Support Services (£3k projected underspend) – the projected underspend is in respect of Service Level Agreement costs with the Lead Authority being lower than budget.
- Income (projected to be £21k higher than budget) – primarily in respect of additional unbudgeted income received in relation to administrative support provided to the Additional Learning Needs Transformational Team.

3.3 Members will recall at the 21st January 2020 Joint Committee meeting, it was agreed that should a revenue budget underspend materialise at year-end, this is retained within the Consortium to further support medium term planning and resourcing. This will provide the Consortium with some flexibility in meeting the agreed Medium Term Financial Plan which requires a 1% budget reduction in addition to pay and non-pay pressures being managed within existing resources. Specific areas for improvement have also been identified across the region that require resources to progress, for example, sensory provision. Work is ongoing in this regard to confirm options and cost implications. Subject to the level of final

underspend at year-end, an amount could also be set aside to support specific and agreed school improvement activities. It is further proposed that the level of earmarked reserve is based on a recommendation of the Treasurer after taking into account, firstly, the key requirement to maintain the Consortium's financial stability and secondly, the estimated costs of the specific school improvement activities to be undertaken.

- 3.4 Members will also recall that the Central South Consortium's audited Statement of Accounts for 2018/19 included an earmark reserve of £89k to support the on-going re-modelling of the service over the medium term; it is currently anticipated that no re-modelling costs will be incurred in 2019/20. It is however anticipated that remodelling costs will be incurred over the medium term, as the implementation plan following the ISOS review is progressed, and the Joint Committee will be requested to consider the carry forward of this funding into 2020/21, as part of the year-end report for 2019/20.

4. GRANT FUNDED SERVICE 2019/20

- 4.1 The Consortium has received the following grant allocations for 2019/20 from Welsh Government, as set out in Table 2 below:

Table 2 – 2019/20 grant allocations and projected outturn

Grant	Grant Award 2019/20 £	Projected Out-turn 2019/20 £	Variance (Under)/ Over £	Comment
Regional Consortia School Improvement Grant (RCSIG)				
Centrally retained to fund National Priorities	8,943,387	8,943,387	0	Includes funding devolved to schools in order to support delivery of the Central South Wales Challenge model.
Delegated: Local Authority/ Delegated Schools	35,937,301	35,937,301	0	
TOTAL RCSIG <i>(including match funding of £2.989M)</i>	44,880,688	44,880,688	0	
Pupil Development Grant (PDG)				
Centrally retained to fund National Priorities	329,270	329,270	0	
Delegated:				

Grant	Grant Award 2019/20 £	Projected Out-turn 2019/20 £	Variance (Under)/ Over £	Comment
Local Authority/ Delegated School	31,404,880	31,404,880	0	
TOTAL PDG	31,734,150	31,734,150	0	
OVERALL TOTAL	76,614,838	76,614,838	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 projected outturn position for the full year is a £186k underspend (projected as at February 2020). This position will continue to be closely monitored through to year-end to ensure the Consortium continues to make best use of resources.

5.2 The 2019/20 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

19th MARCH 2020

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Freestanding matter

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