

CENTRAL SOUTH CONSORTIUM
REPORT FOR JOINT COMMITTEE

14TH SEPTEMBER 2020

JOINT EDUCATION SERVICE

REPORT OF THE TREASURER – 2020/21 BUDGET

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1. PURPOSE OF REPORT

- 1.1 To seek the Joint Committee's approval for proposed budget virements to be made to the 2020/21 revenue budget.
- 1.2 To provide Members with an update of the projected outturn for 2020/21 (projected as at July 2020).
- 1.3 To provide Members with a summary of 2020/21 grant funding allocations.

2. RECOMMENDATIONS

It is recommended that Members:

- 2.1 Note and approve the proposed budget virements within the 2020/21 budget.
- 2.2 Note the current outturn position for 2020/21.
- 2.3 Note the current grant position for 2020/21.

3. REVENUE BUDGET 2020/21

- 3.1 The 2020/21 revenue budget was agreed by Joint Committee on the 21st January 2020. 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

Category	Original Budget 2020/21 £	Revised Budget 2020/21 £	Proposed Budget Virement £
Expenditure			
Employees	3,064,652	3,029,596	(35,056)
Premises	155,400	154,000	(1,400)
Transport	28,000	7,000	(21,000)
Supplies & Services	233,155	187,865	(45,290)
Commissioning	27,654	126,000	98,346
Support Services	114,566	114,566	0
Gross Expenditure	3,623,427	3,619,027	(4,400)
Income			
Local Authority Contributions	3,599,527	3,599,527	0
Grants & Other Income	23,900	19,500	4,400
Total Income	3,623,427	3,619,027	4,400
Net Expenditure	0	0	0

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

- Employees – revisions to the original employee budget to take account of the confirmed employer pension contribution rate for 2020/21 following completion of the 2019 Pension Fund Valuation and updated Challenge Adviser staffing costs for the year.
- Transport and Supplies & Services – the revised budget reflects a lower estimated expenditure requirement for the year due to the impact of COVID-19 (i.e. officers working from home and providing a range of support to schools remotely).
- Commissioning – the proposed revised budget reflects the realignment of estimated in-year savings from Employee, Transport and Supplies & Services areas, to enable the Commissioning budget to be increased to support commitments for the Local Authority Annexes.
- Grants and Other Income – the ‘Grants & Other Income’ budget has been revised to take account of the in-year loss of income in relation to external use of office space.

- 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 2020/21

- 3.4 A summary of the revised budget, projected outturn for the full year (projected as at July 2020) and variances are presented in Table 2.

Table 2 – Projected outturn position 2020/21

Category	Revised Budget 2020/21 £	Projected Out-turn 2020/21 £	Variance (Under) / Over spend £
Expenditure			
Gross Employees	3,029,596	2,976,075	(53,521)
Net Employees	3,029,596	2,976,075	(53,521)
Premises			
Rent	153,250	153,250	0
Maintenance	150	150	0
Other	600	600	0
Total Premises Cost	154,000	154,000	0
Transport	7,000	6,902	(98)
Supplies & Services			
Continuing Professional Development / Staff Adverts	35,500	51,942	16,442
Licences / Mobile & Telephone Charges / Computer Costs – Hardware / Software	63,585	114,798	51,213
Photocopying / Postage / Advertising / Stationery / General Office Expenses	30,760	38,165	7,405
External Audit & Actuary Fee, Employer Liability & Public Liability Insurance	53,020	53,020	0
Communication Strategy	5,000	5,000	0

Category	Revised Budget 2020/21 £	Projected Out-turn 2020/21 £	Variance (Under) / Over spend £
Total Supplies & Services	187,865	262,925	75,060
Commissioning	126,000	125,580	(420)
Support Services	114,566	114,566	0
Gross Expenditure	3,619,027	3,640,048	21,021
Income			
Local Authority Contributions	3,599,527	3,599,527	0
Grants & Other Income	19,500	42,000	(22,500)
Total Income	3,619,027	3,641,527	(22,500)
Net Expenditure	0	(1,479)	(1,479)

3.5 The projected outturn position (projected as at July 2020) is a £1.5k underspend and reasons for key variances are set out below:

- Employees (£54k projected underspend) – due to in-year temporary staff vacancies forecasted to year-end.
- Supplies & Services (£75k projected overspend) – estimated additional one-off costs to enable investment in an Improvement Partners pilot project (staff training / accreditation and ICT hardware) to support the Consortium in developing further its school improvement capabilities.
- Income (projected to be £22.5k higher than budget) – in respect of unbudgeted income forecasted to be received in relation to administrative support to be provided to the Additional Learning Needs Transformational Team.

3.6 Members will be aware the Joint Committee at its 15th June 2020 meeting approved a £200k earmarked reserve to support the remodelling of the service over the medium term and £332k to support further school improvement activities, with both reserves included in the draft certified Statement of Accounts for 2019/20. For the purposes of this budget monitoring up date, both earmarked reserves are forecasted to be fully committed.

4. GRANT FUNDED SERVICE 2020/21

- 4.1 Table 3 sets out the 2020/21 grant allocations received by the Consortium from Welsh Government as at July 2020.

Table 3 – 2020/21 grant allocations

Grant	Total Grant	Retained to Fund National Priorities	Delegated to Schools/Local Authorities
	2020/21 £	2020/21 £	2020/21 £
Regional Consortia School Improvement Grant (including match funding)	45,621,010	5,876,618	39,744,392
Pupil Development Grant	34,093,962	222,757	33,871,205
Main	25,956,650	0	25,956,650
Early Years	5,584,400	0	5,584,400
Children Looked After	1,920,500	122,757	1,797,743
Education Other Than At School	277,150	0	277,150
PDG Consortia Led	255,262	0	255,262
Pupil Development Grant Adviser	100,000	100,000	0
Total	79,714,972	6,099,375	73,615,597

Regional Consortia School Improvement Grant 2020/21

- 4.2 For Members information, the total award of funding is £42,631,988 for the period 1st April 2020 to 31st March 2021 and is also subject to Local Authority match funding of £2,989,022 (equating to a total grant of £45,621,010 as per Table 3).
- 4.3 With specific regard to the Regional Consortia School Improvement Grant, funding will 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 (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 2020/21 revenue budget on the 21st January 2020, 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 £1.5k underspend (projected as at July 2020) 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 2020/21 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

14th SEPTEMBER 2020

CENTRAL SOUTH CONSORTIUM JOINT COMMITTEE

List of background papers

Freestanding matter

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