



ERW Financial Update Outturn 2020-21

4 June 2021

ERW S151 Officer

1. Introduction

This report presents the Joint Committee with the financial outturn at 31 March 2021.

2. 2020-21 Central Team Budget

The 2020-21 Central Team budget was approved by the Joint Committee on 21 July 2020.

It has been noted that grant dependency has risks but these were accepted by the Joint Committee.

Service Level Agreements (SLA's)

For 2020-21, the SLA breakdown was as follows:

SLA's	Budgeted Cost
Committee Services (Carmarthenshire)	£5,000
Scrutiny (Swansea)	£5,000
Finance (Pembrokeshire)	£40,000
Internal Audit (Pembrokeshire)	£25,000
Human Resources (Pembrokeshire)	£20,000
Information Technology (Pembrokeshire)	£24,000
Procurement (Pembrokeshire)	£20,000
Total Budgeted SLA's	£139,000

Local Authority Contributions

The agreed Local Authority Contributions for 2020-21 was as follows.

Local Authority	2020-21 Contribution £
Powys	81,934
Ceredigion	43,741
Pembrokeshire	79,898
Carmarthenshire	123,998
Swansea	150,785
Total	480,356

All contributions have been paid.

Core Budgeted Expenditure	2020-21 Approved Budget £000's	Core Funded £000's	Grant Funded £'000s	2020-21 Actual Income / Expenditure £000's
Staffing Costs				
Salaries, Secondments, Specialists	845	209	439	648
Travel, Subsistence, Training and Development	3	1	-	1
IT Hardware & Mobiles	-	-	-	-
	848	210	439	649
Development and Running Costs				
Rent and Accommodation	59	63	-	63
General Office Expenses	2	2	-	2
Stationary, Telephone, Photocopying	8	6	-	6
Translation	2	6	-	6
Software, Marketing, R&E,	33	21	-	21
Service Level Agreements	125	53	61	114
External Audit	14	18	-	18
Legal	-	9	-	9
	243	178	61	239
Total Estimated Expenditure	1,091	388	500	888
Core Budgeted Income				
Local Authority Contributions	480	480	-	480
Grant Funding	313	-	500	500
2019-20 Funding Utilised	298	-	-	-
Other Funding*	-	208	-	208
Total Estimated Income	1,091	688	500	1188
Core Net Expenditure / (Income)	0	(300)	0	(300)
Appropriation to Reserve	0	300	0	300

*Other Funding relates to reimbursement from Welsh Government for secondments.

- Grant flexibility of £500,000 has been provided by Welsh Government and has been maximised for the year.
- The SLA's are £139,000 as outlined above with £61,000 funded by grant within the terms and conditions. £25,000 is shown within Equity and Wellbeing (4.8).
- The salaries, secondments and specialists includes the cost of the Head of Human Resources/HR Lead seconded to ERW.
- £9,000 of expenses for legal costs in relation to the forthcoming changes to ERW has been incurred.
- The Joint Committee approved Local Authority contributions of £480,356 are based on PLASC 19 pupil numbers for the five Local Authorities.
- £300k will be appropriated to Reserve.

3. 2020-21 Grant Allocations

	Total Grant Income Received 2020-21* £000's
Curriculum and Assessment	1,495
Developing the Profession	32,341
Leadership	453
Supporting Self Improving System	298
RCSIG Total	34,587
PDG	20,135
LAC PDG	913
PDG Coordinator	78
Consortia Led Funding	157
PDG Total	21,283
EWC	418
Other Total	418
Total Grant Income	56,288

*Note: £607,063 RCSIG and £14,384 PDG funding has not been spent during 2020-21 and has been carried forward to 2021-22.

3.1 Pupil Development Grant (PDG)

As outlined in the last financial update, the PDG grant invitation letter was received from Welsh Government on 29 July 2020 with the grant offer letter received on 26 August 2020. Please refer to Table 3 for the breakdown. All instalments were received during the year and paid out to each Local Authority following completed claim forms.

3.2 PDG Grant Allocation 2020-21

As outlined in the last financial update, the PDG Grant has been allocated as follows:

	Local Authority £'000's	ERW Retained £'000's	Total* £'000's
PDG	20,135	-	20,135
PDG LAC	822	91	913
PDG Co-ordinator	-	78	78
Consortia Led Funding	-	157	157
Total	20,957	326	21,283

*Note: £14,384 PDG funding has not been spent during 2020-21 and have been carried forward to 2021-22.

3.3 Regional Consortia School Improvement Grant (RCSIG)

As outlined in the last financial update, the RCSIG was distributed on a quarterly basis. The 2020-21 grant offer letter was received from Welsh Government on 29 July 2020 and was formally reviewed and accepted by the Joint Committee on 13 November 2020. All instalments were received during the year and paid out to each Local Authority following completed claim forms.

3.4 Regional Consortia School Improvement Grant (RCSIG) – EIG Grant Allocation 2020-21

As outlined in the last financial update, the RCSIG EIG Grant allocation was as follows:

	Total Grant Funding £'000's	Match Funding £'000's	Total Funding * £'000's
ERW	911	-	911
Powys	4,648	540	5,188
Ceredigion	2,584	290	2,874
Pembrokeshire	4,411	496	4,907
Carmarthenshire	7,110	669	7,779
Swansea	9,017	714	9,731
Totals	28,681	2,709	31,390

*Note: £607,063 RCSIG funding has not been spent during 2020-21 and have been carried forward to 2021-22.

4. 2020-21 Grants

4.1 A breakdown of the funding for the ERW staffing structure (grant funding and core funding) is shown at Appendix A.

4.2 RCSIG

The RCSIG is allocated according to the National Ministerial Priorities. Grants received are allocated according to the ERW Business Plan 2020-21 priorities in line with the strategy groups created in 2019-20:

- Curriculum (4.3)
- Digital (4.4)
- Welsh (4.5)
- Leadership (4.6)
- Professional Learning (4.7)
- Equity & Wellbeing (4.8)

The terms and conditions of the grant are carefully adhered to, and wherever possible clear links are made between grants to enable greater value for money when planning expenditure.

This report and the financial information contained within it should be considered alongside the ERW Business Plan 2020-21.

4.3 Curriculum

Income	2020-21 Projected Income £000's	2020-21 Actual Income £000's
RCSIG School Improvement 2020-21	1,096	679
RCSIG 3% Savings	(191)	
Total Income	905	
School Improvement Budgeted Expenditure	2020-21 Projected Expenditure £000's	2020-21 Actual Expenditure £000's
Staffing Costs		
Salaries, Secondments, Specialists	505	505
Core Central Staff	12	12
Travel, Subsistence, Training and Development	5	2
IT Hardware & Mobiles	1	-
	523	519
Development and Running Costs		
Accommodation & Venue Hire	-	-
Stationary, Telephone, Photocopying	-	-
Translation	16	18
Software, Marketing, R&E,	-	-
	16	18
Delegated to Schools		13
Passported on WG Instruction	-	-
Regional Support & Development Work	366	129
Delegated to Local Authorities		-
Total Expenditure	905	679
Curriculum RCSIG grant income carried forward to 2021-22	0	226

4.4 Digital

Income	2020-21 Projected Income £000's	2020-21 Actual Income £000's
RCSIG School Improvement 2020-21	287	200
RCSIG 3% Savings	(58)	
Total Income	229	
School Improvement Budgeted Expenditure	2020-21 Projected Expenditure £000's	2020-21 Actual Expenditure £000's
Staffing Costs		
Salaries, Secondments, Specialists	174	126
Travel, Subsistence, Training and Development	2	-
IT Hardware & Mobiles	1	-
	177	126
Development and Running Costs		
Accommodation & Venue Hire	-	-
Stationary, Telephone, Photocopying	-	-
Translation	-	4
Software, Marketing, R&E,	-	-
	-	4
Regional Support & Development Work	51	16
Delegated to Schools	1	54
Passported on WG Instruction	-	-
Delegated to Local Authorities	-	-
Unallocated Funds		-
Total Expenditure	229	200
Digital RCSIG grant income carried forward to 2021-22	0	29

4.5 Welsh

Income	2020-21 Projected Income £000's	2020-21 Actual Income £000's
RCSIG School Improvement 2020-21	858	620
RCSIG 3% Savings	(172)	
Total Income	686	
School Improvement Budgeted Expenditure	2020-21 Projected Expenditure £000's	2020-21 Actual Expenditure £000's
Staffing Costs		
Salaries, Secondments, Specialists	245	247
Core Central Staff	3	3
Travel, Subsistence, Training and Development	2	2
IT Hardware & Mobiles	1	-
	251	252
Development and Running Costs		
Accommodation & Venue Hire	-	-
Stationary, Telephone, Photocopying	-	-
Translation	-	-
Software, Marketing, R&E,	-	-
	-	-
Regional Support & Development Work	196	-
Delegated to Schools		90
Passported on WG Instruction	-	-
Delegated to Local Authorities	239	278
Total Expenditure	686	620
Welsh RCSIG grant income carried forward to 2021-22	0	66

4.6 Leadership

Income	2020-21 Projected Income £000's	2020-21 Actual Income £000's
RCSIG School Improvement 2020-21	654	308
RCSIG 3% Savings	(231)	
EWC 2020-21	418	418
Total Income	841	726
School Improvement Budgeted Expenditure	2020-21 Projected Expenditure £000's	2020-21 Actual Expenditure £000's
Staffing Costs		
Salaries, Secondments, Specialists	200	200
Core Central Staff	5	5
External Verifiers NQT	68	83
Travel, Subsistence, Training and Development	3	1
IT Hardware & Mobiles	1	-
	277	289
Development and Running Costs		
Accommodation & Venue Hire	-	-
Stationary, Telephone, Photocopying	-	-
Translation	6	4
Software, Marketing, R&E,	-	-
	6	4
Regional Support & Development Work	544	16
Delegated to Schools	14	345
Passported on WG Instruction	-	-
Delegated to Local Authorities	-	72
Total Estimated Expenditure	841	726
Leadership RCSIG grant income carried forward to 2021-22	0	115

4.7 Professional Learning

Income	2020-21 Projected Income £000's	2020-21 Actual Income £000's
RCSIG School Improvement 2020-21	2,366	3,428
RCSIG 3% Savings	(459)	
RCSIG Professional Learning Grant	1,600	
Total Income	3,507	
School Improvement Budgeted Expenditure	2020-21 Projected Expenditure £000's	2020-21 Actual Expenditure £000's
Staffing Costs		
Salaries, Secondments, Specialists	639	639
Core Central Staff	3	3
Travel, Subsistence, Training and Development	3	-
IT Hardware & Mobiles	1	1
	646	643
Development and Running Costs		
Accommodation & Venue Hire	-	-
Stationary, Telephone, Photocopying	-	-
Translation	3	1
Software, Marketing, R&E,	-	-
	3	1
Regional Support & Development Work	298	3
Delegated to Schools	960	1,181
Passported on WG Instruction	1,600	1,600
Delegated to Local Authorities	-	-
Total Estimated Expenditure	3,507	3,428
Professional Learning RCSIG grant income carried forward to 2021-22	0	79

4.8 Equity and Wellbeing

Income	2020-21 Projected Income £000's	2020-21 Actual Income £000's
RCSIG School Improvement 2020-21 (EIG)	28,837	28,745
RCSIG 3% Savings	-	
PDG 2020-21	21,283	21,269
Total Income	50,120	50,014
School Improvement Budgeted Expenditure	2020-21 Projected Expenditure £000's	2020-21 Actual Expenditure £000's
Staffing Costs		
Salaries, Secondments, Specialists	395	570
Core Central Staff	4	4
Travel, Subsistence, Training and Development	3	2
IT Hardware & Mobiles	1	-
Grant Flexibility RCSIG 2020-21	500	500
	903	1,076
Development and Running Costs		
Accommodation & Venue Hire	-	-
Stationary, Telephone, Photocopying	-	-
Translation	5	1
SLA's	61	25
Software, Marketing, R&E,	20	-
	86	26
Regional Support & Development Work	248	29
Delegated to Schools	-	-
Passported on WG Instruction	47,905	47,905
Delegated to Local Authorities	978	978
Total Estimated Expenditure	50,120	50,014
Equity and Wellbeing RCSIG grant income carried forward to 2021-22	0	92
Equity and Wellbeing PDG grant income carried forward to 2021-22	0	14

5. Risks

Previous Budget and Financial Update reports have highlighted risks for ERW.

The financial implications of the anticipated changes to ERW will need to be clearly thought through and discussed with the S151 Officer and the Monitoring Officer to ensure no Local Authority suffers any financial detriment.

The ERW Reserves will increase at the end of 2020-21, as outlined below, with total reserves of £139k following the annual adjustment to the Pensions Reserve.

Continued reliance upon grant funding remains a risk and there is no grant flexibility (RCSIG) available for 2021-22.

6. Reserves

The table below shows the implications on ERW Reserves from 2019-20 to 2020-21.

Useable Reserves	Earmarked Joint Committee Reserves £000's	General Working Reserve £000's	Pensions Reserve £000's	Total Reserves £000's
Balance 31 March 2019	322	100	(316)	106
2019-20	30		(91)	(61)
Balance 31 March 2020	352	100	(407)	45
2020-21	300	-	(206)	94
Balance 31 March 2021	652	100	(613)	139

7. Recommendations

- The Joint Committee approves the ERW financial outturn for 2020-21.