



# **Partneriaeth Draft Budget for 2024-25**

## **Partneriaeth S151 Officer**

**2 February 2024**

## 1.0 Introduction

- 1.1 The report presents the Joint Committee with the Partneriaeth Draft Budget for 2024-25.
- 1.2 The Partneriaeth Legal Agreement (Schedule 9, paragraph 3) states 'The Partneriaeth via the Lead Council with responsibility for Finance, shall provide a draft Annual Budget to the Joint Committee for approval before the start of the following Financial Year'.
- 1.3 For 2024-25 Welsh Government have announced that they will be rationalising and consolidating pre-16 education grants that currently go to Local Authorities and Regional Consortia / Partnerships into one Local Authority Education Grant (LAEG). As a result consortia funding will now go directly to Local Authorities.
- 1.4 Due to the current uncertainty around the funding of Partneriaeth for 2024-25 it has been assumed that grant income received by Partneriaeth direct from Welsh Government in 2023-24 will be received via the member Local Authorities at the same level as 2023-24.
- 1.5 As funding for 2024-25 has not yet been confirmed, approval of the draft budget for 2024-25 'in principle' is sought, with formal approval to be obtained at the Joint Committee meeting on 7 June 2024 once confirmation of funding from Welsh Government, and member Local Authorities has been received.
- 1.5 The Draft Budget for 2024-25 has been developed in consultation with the Lead Officer Partneriaeth and the three Education Directors.

## 2.0 Service Level Agreements (SLAs)

- 2.1 The SLAs have been increased by CPI of 6.7% for 2024-25.
- 2.2 As in 2023-24, there is no charge for the services of the Partneriaeth Lead Chief Executive, Partneriaeth S151 Officer, Partneriaeth Monitoring Officer or the Partneriaeth Lead Education Director.
- 2.3 The proposed SLAs for 2024-25 are outlined below:

<b>SLAs</b>	<b>2024-25 £'000</b>
Committee Services (Carmarthenshire)	5
Scrutiny (Swansea)	5
Finance (Pembrokeshire)	140
Internal Audit (Pembrokeshire)	30
Human Resources (Pembrokeshire)	7
Information Technology (Pembrokeshire)	36
Procurement (Pembrokeshire)	22
<b>Total Budgeted SLAs</b>	<b>245</b>

### 3.0 Local Authority Contributions

- 3.1 The element of the Partneriaeth budget funded by Local Authority contributions has been determined based on the estimates and assumptions outlined in 4.3 below.
- 3.2 Prior to 2023-24, Local Authority contributions increased to match the overall increase in expenditure. However, due to the significant financial challenges faced by each Local Authority in 2023-24 and over the MTFP, it was agreed by the Joint Committee on 23 June 2023 that there would be no Local Authority contribution for 2023-24, reduced contributions for 2024-25 and 2025-26, and a return to a full contribution for 2026-27.
- 3.3 It is proposed that due to the continued significant financial challenges faced by each Local Authority in 2024-25 and over the MTFP, there be no Local Authority contribution for 2024-25, with reduced contributions for 2025-26 and 2026-27, and a return to a full contribution for 2027-28.
- 3.3 Due to the level of reserves and balances transferred to Partneriaeth following the cessation of ERW, together with a further contribution to reserve in 2022-23, see 5.0 below, it is felt that the reduction in contributions over the MTFP can be funded from reserve without a significant depletion of reserve levels.
- 3.4 Individual Local Authority contributions are calculated in accordance with the Partneriaeth Legal Agreement (Schedule 9, paragraph 4) based on PLASC figures (80%) and the number of schools within each Local Authority area (20%).
- 3.5 The proposed Local Authority contributions/contributions from reserve for 2024-25 and over the MTFP are outlined below (LA allocation to be determined based on relevant year data):

Local Authority*	2023-24	2024-25	2025-26	2026-27	2027-28
	£'000	£'000	£'000	£'000	£'000
Carmarthenshire }					
Pembrokeshire }	0	0	124	241	384
Swansea }					
Contribution from Reserve	335	358	248	137	0
<b>Total Contributions</b>	<b>335</b>	<b>358</b>	<b>372</b>	<b>378</b>	<b>384</b>

\*contributions will be determined based on PLASC figures (80%) and the number of schools within each Local Authority area (20%).

#### 4.0 Draft Budget for 2024-25

4.1 The Draft Budget for 2024-25, both income and expenditure, has been determined based on the estimates and assumptions outlined in 4.3 below.

4.2 Once Welsh Government funding has been confirmed for 2024-25, the Draft Budget will be updated, with an amendment made to the Business Plan objectives budget to match any increase or decrease in funding.

4.3 The proposed Draft Budget for 2024-25 is outlined below:

Budgeted Expenditure 2024-25	Assumption of increase		Core Funded	Grant Funded	Total 2024-25
		%	£'000	£'000	£'000
<b>Staffing Costs</b>					
Salaries, Secondments & Specialists	Salary inflation		-	2,303	2,303
Travel & Subsistence		0%	-	10	10
Training & Development		0%	-	5	5
			-	<b>2,318</b>	<b>2,318</b>
<b>Development and Running Costs</b>					
Rent and Accommodation	CPI	6.9%	16	-	16
Electricity	PCC inflation	-14.57%	2	-	2
Service Charges	CPI	6.9%	12	-	12
General Office Expenses	CPI	6.9%	7	-	7
Mobile Telephone	CPI	6.9%	5	-	5
Translation	CPI	6.9%	-	43	43
Hardware Purchases	CPI	6.9%	24	-	24
Software	CPI	6.9%	11	-	11
Marketing	CPI	6.9%	19	-	19
Service Level Agreements	CPI	6.9%	245	-	245
External Audit	CPI	6.9%	17	-	17
Other Contracted Services	CPI	6.9%	-	51	51
Business Plan Objectives*	Balancing figure		-	4,159	4,159
<b>Total Development and Running Costs</b>			<b>358</b>	<b>4,258</b>	<b>4,611</b>
<b>Total Expenditure</b>			<b>358</b>	<b>6,571</b>	<b>6,929</b>
<b>Budgeted Income</b>					
Local Authority Contributions			-	-	-
Welsh Government Grant Funding received via member Local Authorities**	Assumed at 2023-24 levels		-	6,190	6,190
Education Workforce Council (EWC)	Assumed at 2023-24 levels		-	381	381
Reserves			358	-	358
<b>Total Income</b>			<b>358</b>	<b>6,571</b>	<b>6,929</b>

\* Efficiency savings will have to be made to the Business Plan Objectives if grant funding remains flat lined. This is due to inflationary pressures across other budget lines.

\*\*It is assumed that RCSIG, RCSIG EIG retained and PDG funding previously received direct from Welsh Government will be received from Local Authorities at 2023-24 levels.

## 5.0 Working Balance and Reserves

5.1 At the ERW Joint Committee on 17 May 2023, approval was given to distribute £1.492m of the ERW reserves and balances to Partneriaeth. During 2022-23 a further £0.280m was appropriated to reserve.

5.2 £0.100m of the balance is utilised as the Partneriaeth working balance with the remaining £1.672m utilised as the Partneriaeth reserve.

5.3 The proposed movements in the working balance and reserve for 2024-25 and over the MTFP are outlined below:

<b>Working Balance</b>	<b>2023-24 £'000</b>	<b>2024-25 £'000</b>	<b>2025-26 £'000</b>	<b>2026-27 £'000</b>	<b>2027-28 £'000</b>
<b>Opening Balance</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>
Utilised in Year	0	0	0	0	0
<b>Closing Balance</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

<b>Reserve</b>	<b>2023-24 £'000</b>	<b>2024-25 £'000</b>	<b>2025-26 £'000</b>	<b>2026-27 £'000</b>	<b>2027-28 £'000</b>
<b>Opening Balance</b>	<b>1,672</b>	<b>1,337</b>	<b>979</b>	<b>731</b>	<b>594</b>
Utilised in Year	335	358	248	137	0
<b>Closing Balance</b>	<b>1,337</b>	<b>979</b>	<b>731</b>	<b>594</b>	<b>594</b>

## 6.0 Risks and Opportunities

6.1 Continued reliance on grant funding remains a risk for Partneriaeth.

6.2 There is a risk that Local Authority priorities may change with grant funding received from Welsh Government being retained by Local Authorities and not used to commission Partneriaeth services.

### Recommendations

- The contents of the report are noted.
- The Draft Budget for 2024-25 is approved 'in principle', subject to change once confirmation of funding is received, with referral to the Joint Committee meeting on 7 June 2024 for formal approval.
- The SLAs for 2024-25 are approved.
- The contribution from reserve for 2024-25, in lieu of Local Authority contributions, is approved.