



Partneriaeth Draft Budget for 2023-24 and Draft Medium Term Financial Plan (MTFP) for 2023-24 to 2026-27

Partneriaeth S151 Officer

**March 2023
(Revised June 2023)**

1.0 Introduction

- 1.1 The report presents the Joint Committee with the Partneriaeth Draft Budget for 2023-24 and the Draft MTFP for 2023-24 to 2026-27.
- 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 In order to comply with the Partneriaeth Legal Agreement, the Draft Budget for 2023-24, see Appendix A, was approved 'in principle' by the Joint Committee with formal approval to be obtained at the Joint Committee meeting on 23 June 2023. An email was sent to the Joint Committee Members on 27 March 2023 with each Member confirming their 'in-principle' approval.
- 1.4 The Draft Budget for 2023-24 and the Draft MTFP for 2023-24 to 2026-27 have been developed in consultation with the Lead Officer Partneriaeth and the three Education Directors.
- 1.5 Since the 'in-principle' approval by the Joint Committee, there have been a number of changes to the Draft Budget following the 18 May 2023 confirmation of Welsh Government funding for 2023-24, see 4.2 below.

2.0 Service Level Agreements (SLA's)

- 2.1 The SLA's have been increased by CPI of 7% for 2023-24, CPI of 4% for 2024-25 and CPI of 2% for 2025-26 to 2026-27.
- 2.2 As in 2022-23, 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 SLA's for 2023-24 and over the MTFP are outlined below:

SLA's	2022-23	2023-24	2024-25	2025-26	2026-27
	£'000	£'000	£'000	£'000	£'000
Committee Services (Carmarthenshire)	5	5	6	6	6
Scrutiny (Swansea)	5	5	6	6	6
Finance* (Pembrokeshire)	121	130	134	137	140
Internal Audit (Pembrokeshire)	26	28	29	29	30
Human Resources (Pembrokeshire)	6	7	7	7	7
Information Technology (Pembrokeshire)	31	33	34	35	36
Procurement (Pembrokeshire)	20	21	22	23	23
Total Budgeted SLA's	214	229	238	243	248

*Includes the Partneriaeth Principal Accountant and Accounting Technician posts

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 In previous years, Local Authority contributions have 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 is proposed that there is 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 Due to the level of reserves and balances transferred to Partneriaeth following the cessation of ERW, see 6.0 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 2023-24 and over the MTFP are outlined below:

Local Authority	2022-23 £'000	2023-24 £'000	2024-25 £'000	2025-26 £'000	2026-27 £'000
Carmarthenshire	107				
Pembrokeshire	65	0	124	241	358
Swansea	128				
Contribution from Reserve	0	335	224	112	0
Total Contributions	300	335	348	353	358

4.0 Draft Budget for 2023-24

4.1 The Draft Budget for 2023-24, both income and expenditure, has been determined based on the estimates and assumptions outlined in 4.3 below.

4.2 Since the 'in-principle' approval by the Joint Committee, see Appendix A, there have been a number of changes to the Draft Budget following the 18 May 2023 confirmation of Welsh Government funding for 2023-24:

- RCSIG funding was less than anticipated due to the Welsh in Education grant element of the EIG being delegated directly to Local Authorities, so the budget for Business Plan Objectives has been amended accordingly.
- Confirmation of secondment income from Welsh Government, this also being reflected in the staffing costs budget.
- Confirmation of changes to the staffing structure and recalculation of staffing costs.

4.3 The proposed Draft Budget for 2023-24 is outlined below:

2023-24				
Budgeted Expenditure	Assumptions of Increases	Core Funded £000's	Grant Funded £000's	Total £000's
Staffing Costs				
Salaries*	As per Salary Calculator Inflation Factors	-	2,023	2,023
Secondments	4% per annum - as per Soulbury pay scales	-	81	81
Travel & Subsistence	0%	-	10	10
Training and Development	0%	-	5	5
		-	2,119	2,119
Development and Running Costs				
Rent and Accommodation	CPI - 7%	15	-	15
Electricity	154% as per PCC Inflation Factors	2	-	2
Service Charges	CPI - 7%	11	-	11
Hardware Purchases	CPI - 7%	22	-	22
Software	CPI - 7%	10	-	10
Mobile Telephone	CPI - 7%	5	-	5
General Office Expenses	Not inflated	7	-	7
Translation	CPI - 7%	-	40	40
External Audit	CPI - 7%	16	-	16
Other Contracted Services			48	48
Marketing	CPI - 7%	18	-	18
Service Level Agreements	CPI - 7%	229	-	229
Business Plan Objectives		-	3,501	3,501
		335	3,589	3,924
Estimated Total Expenditure		335	5,708	6,043
Budgeted Income				
Member Local Authority Contributions		-	-	-
Regional Consortia School Improvement Grant Funding RCSIG	As per Award Letter received on 18/05/2023	-	4,326	4,326
Grant Funding RCSIG EIG Retained		-	842	842
PDG Co-ordinator	Assumed the PDG Co-ordinator Allocation within the PDG remains flat lined	-	50	50
Education Workforce Council (EWC)	Assumed the EWC Funding remains flat lined	-	381	381
Secondment Income from Welsh Government			109	109
From Reserves		335		335
Estimated Total Income		335	5,708	6,043
* Core salaries funded by RCSIG EIG Retained				

5.0 Draft MTFP for 2023-24 to 2026-27

- 5.1 A MTFP has been produced for Partneriaeth to outline its financial sustainability over the medium term, to provide financial projections for the next four years and to determine the anticipated level of funding available for the Business Plan objectives for the next four years.
- 5.2 The Draft Budgets for 2024-25 to 2026-27, both income and expenditure, have been determined based on the estimates and assumptions outlined in 5.4 below.
- 5.3 The MTFP for 2023-24 to 2026-27 will be subject to change as estimates and assumptions are confirmed and it will be formally updated on an annual basis.
- 5.4 The proposed Draft Budgets for 2024-25 to 2026-27, included in the MTFP, are outlined below:

2024-25

Budgeted Expenditure	Assumptions of Increases	Percentage increase/decrease	Core Funded £000's	Grant Funded £000's	Total £000's
Staffing Costs					
Salaries*	As per Salary Calculator Inflation Factors		-	2,204	2,204
Secondments	As per Soulbury pay scale inflation used in Salary Calculator	4%		55	55
Travel & Subsistence		0%		10	10
Training and Development		0%	-	5	5
			-	2,274	2,274
Development and Running Costs					
Rent and Accommodation	CPI	4%	16	-	16
Electricity	Decrease as per PCC Inflation Factor	-11.60%	2	-	2
Service Charges	CPI	4%	11	-	11
Hardware Purchases	CPI	4%	23	-	23
Software	CPI	4%	10	-	10
Mobile Telephone	CPI	4%	5	-	5
General Office Expenses	Not inflated		7	-	7
Translation	CPI	4%	-	42	42
External Audit	CPI	4%	17	-	17
Other Contracted Services	CPI	4%	-	50	50
Marketing	CPI	4%	19	-	19
Service Level Agreements	CPI	4%	238	-	238
Business Plan Objectives**			-	3,348	3,348
			348	3,440	3,788
Estimated Total Expenditure			348	5,714	6,062
Budgeted Income					
Member Local Authority Contributions			124	-	124
Regional Consortia School Improvement Grant Funding RCSIG	Assumed the RCSIG remains flat lined		-	4,326	4,326
Grant Funding RCSIG EIG Retained			-	842	842
PDG Co-ordinator	Assumed the PDG Co-ordinator Allocation within the PDG remains flat lined		-	50	50
Education Workforce Council (EWC)	Assumed the EWC Funding remains flat lined			381	381
Secondment Income from Welsh Government				115	115
From Reserves			224		224
Estimated Total Income			348	5,714	6,062
* Core salaries funded by RCSIG EIG Retained					
** 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.					

2025-26

Budgeted Expenditure	Assumptions of Increases	Percentage increase/decrease	Core Funded £000's	Grant Funded £000's	Total £000's
Staffing Costs					
Salaries*	As per Salary Calculator Inflation Factors		-	2,303	2,303
Secondments	As per Soulbury pay scale inflation used in Salary Calculator	4%		57	57
Travel & Subsistence		0%		10	10
Training and Development		0%	-	5	5
			-	2,375	2,375
Development and Running Costs					
Rent and Accommodation	CPI	2%	16	-	16
Electricity	as per PCC Inflation Factors	0%	2	-	2
Service Charges	CPI	2%	11	-	11
Hardware Purchases	CPI	2%	23	-	23
Software	CPI	2%	10	-	10
Mobile Telephone	CPI	2%	5	-	5
General Office Expenses	Not inflated		7	-	7
Translation	CPI	2%	-	43	43
External Audit	CPI	2%	17	-	17
Other Contracted Services	CPI	2%	-	51	51
Marketing	CPI	2%	19	-	19
Service Level Agreements	CPI	2%	243	-	243
Business Plan Objectives**			-	3,250	3,250
			353	3,344	3,697
Estimated Total Expenditure			353	5,719	6,072
Budgeted Income			Core Funded £000's	Grant Funded £000's	Total £000's
Member Local Authority Contributions			241	-	241
Regional Consortia School Improvement Grant Funding RCSIG	Assumed the RCSIG remains flat lined		-	4,326	4,326
Grant Funding RCSIG EIG Retained			-	842	842
PDG Co-ordinator	Assumed the PDG Co-ordinator Allocation within the PDG remains flat lined		-	50	50
Education Workforce Council (EWC)	Assumed the EWC Funding remains flat lined			381	381
Secondment Income from Welsh Government				120	120
From Reserves			112		112
Estimated Total Income			353	5,719	6,072
* Core salaries funded by RCSIG EIG Retained					
** 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.					

2026-27

Budgeted Expenditure	Assumptions of Increases	Percentage increase/ decrease	Core Funded £000's	Grant Funded £000's	Total £000's
Staffing Costs					
Salaries*	As per Salary Calculator Inflation Factors		-	2,401	2,401
Secondments	As per Soulbury pay scale inflation used in Salary Calculator	4%		59	59
Travel & Subsistence		0%		10	10
Training and Development		0%	-	5	5
			-	2,475	2,475
Development and Running Costs					
Rent and Accommodation	CPI	2%	16	-	16
Electricity	as per PCC Inflation Factors	0%	2	-	2
Service Charges	CPI	2%	11	-	11
Hardware Purchases	CPI	2%	23	-	23
Software	CPI	2%	10	-	10
Mobile Telephone	CPI	2%	5	-	5
General Office Expenses	Not inflated		7	-	7
Translation	CPI	2%	-	44	44
External Audit	CPI	2%	17	-	17
Other Contracted Services	CPI	2%	-	52	52
Marketing	CPI	2%	19	-	19
Service Level Agreements	CPI	2%	248	-	248
Business Plan Objectives**			-	3,152	3,152
			358	3,248	3,606
Estimated Total Expenditure			358	5,723	6,081
Budgeted Income					
			Core Funded £000's	Grant Funded £000's	Total £000's
Member Local Authority Contributions			358	-	358
Regional Consortia School Improvement Grant Funding RCSIG	Assumed the RCSIG remains flat lined		-	4,326	4,326
Grant Funding RCSIG EIG Retained			-	842	842
PDG Co-ordinator	Assumed the PDG Co-ordinator Allocation within the PDG remains flat lined		-	50	50
Education Workforce Council (EWC)	Assumed the EWC Funding remains flat lined			381	381
Secondment Income from Welsh Government				124	124
From Reserves			-	-	-
Estimated Total Income			358	5,723	6,081
* Core salaries funded by RCSIG EIG Retained					
** Efficiency savings will have to made to the Business Plan Objectives if grant funding remains flat lined. This is due to inflationary pressures across other budget lines.					

6.0 Working Balance and Reserves

- 6.1 At the cessation of ERW, there were reserve balances of £0.678m and EWC balances of £0.958m remaining. £0.144m of these balances relate to Powys County Council and will be returned to them, leaving a balance of £1.492m. At the ERW Joint Committee on 17 May 2023, approval was given to distribute £1.492m of the ERW reserves and balances to Partneriaeth.
- 6.2 It is proposed that £0.100m of the balance is utilised as the Partneriaeth working balance with the remaining £1.392m utilised as the Partneriaeth reserve.
- 6.3 The proposed movements in the working balance and reserve for 2023-24 and over the MTFP are outlined below:

Working Balance	2022-23	2023-24	2024-25	2025-26	2026-27
	£'000	£'000	£'000	£'000	£'000
Opening Balance	100	100	100	100	100
Utilised in Year	0	0	0	0	0
Closing Balance	100	100	100	100	100

Reserve	2022-23	2023-24	2024-25	2025-26	2026-27
	£'000	£'000	£'000	£'000	£'000
Opening Balance	1,392	1,392	1,057	833	721
Utilised in Year	0	335	224	112	0
Closing Balance	1,392	1,057	833	721	721

7.0 Risks and Opportunities

- 7.1 Continued reliance on grant funding remains a risk for Partneriaeth.
- 7.2 The previous risk around a working balance and reserve for Partneriaeth has now been mitigated, as outlined in 6.0 above.

8.0 Recommendations

- 8.1 The contents of the report are noted.
- 8.2 The Draft Budget for 2023-24 is approved.
- 8.3 The Draft MTFP for 2023-24 to 2026-27 is approved.
- 8.4 The SLA's for 2023-24 are approved.
- 8.5 The contribution from reserve for 2023-24, in lieu of the Local Authority contributions, is approved.
- 8.6 Utilisation of the £1.492m reserves and balances from ERW to create a Partneriaeth working balance of £0.100m and a Partneriaeth reserve of £1.392m is approved.

Appendix A

Partneriaeth Draft Budget for 2023-24 and Draft MTFP 2023-24 to 2026-27 Approved 'In Principle'

2023-24				
Budgeted Expenditure	Assumptions of Increases	Core Funded £000's	Grant Funded £000's	Total £000's
Staffing Costs				
Salaries*	As per Salary Calculator Inflation Factors - maintaining the same staffing structure	-	1,924	1,924
Secondments	4% per annum - as per Soulbury pay scales - assuming the same Secondments	-	152	152
Travel & Subsistence	0%	-	10	10
Training and Development	0%	-	5	5
		-	2,091	2,091
Development and Running Costs				
Rent and Accommodation	CPI - 7%	15	-	15
Electricity	154% as per PCC Inflation Factors	2	-	2
Service Charges	CPI - 7%	11	-	11
General Office Expenses	Not inflated	7	-	7
Mobile Telephone	CPI - 7%	5	-	5
Translation	CPI - 7%	-	40	40
Hardware Purchases	CPI - 7%	22	-	22
Software	CPI - 7%	10	-	10
Marketing	CPI - 7%	18	-	18
Service Level Agreements	CPI - 7%	229	-	229
External Audit	CPI - 7%	16	-	16
Business Plan Objectives		-	3,943	3,943
		335	3,983	4,318
Estimated Total Expenditure		335	6,074	6,409
Budgeted Income				
Member Local Authority Contributions		-	-	-
Regional Consortia Grant Funding (RCG)	Assumed the RCG remains flat lined	-	4,802	4,802
Grant Funding RCG EIG Retained	4.02% of the EIG Grant	-	841	841
PDG Co-ordinator	Assumed the PDG Co-ordinator Allocation within the PDG remains flat lined	-	50	50
Education Workforce Council (EWC)	Assumed the EWC Funding remains flat lined	-	381	381
From Reserves		335		335
Estimated Total Income		335	6,074	6,409
* Core salaries funded by RCSIG EIG Retained				

2024-25

Budgeted Expenditure	Assumptions of Increases	Percentage increase/decrease	Core Funded £000's	Grant Funded £000's	Total £000's
Staffing Costs					
Salaries*	As per Soulbury and NJC Salary Calculator Inflation Factors - maintaining the same staffing structure		-	2,034	2,034
Secondments	4% per annum - as per Soulbury pay scales - assuming the same Secondments	4%		158	158
Travel & Subsistence		0%		10	10
Training and Development		0%	-	5	5
			-	2,207	2,207
Development and Running Costs					
Rent and Accommodation	CPI	4%	16	-	16
Electricity	Decrease as per PCC Inflation Factors	-11.60%	2	-	2
Service Charges	CPI	4%	11	-	11
General Office Expenses	Not inflated		7	-	7
Mobile Telephone	CPI	4%	5	-	5
Translation	CPI	4%	-	42	42
Hardware Purchases	CPI	4%	23	-	23
Software	CPI	4%	10	-	10
Marketing	CPI	4%	19	-	19
Service Level Agreements	CPI	4%	238	-	238
External Audit	CPI	4%	17	-	17
Business Plan Objectives**			-	3,825	3,825
			348	3,867	4,215
Estimated Total Expenditure			348	6,074	6,422
Budgeted Income					
Member Local Authority Contributions			124	-	124
Regional Consortia Grant Funding (RCG)	Assumed the RCG remains flat lined		-	4,802	4,802
Grant Funding RCG EIG Retained			-	841	841
PDG Co-ordinator	Assumed the PDG Co-ordinator Allocation within the PDG remains flat lined		-	50	50
Education Workforce Council (EWC)	Assumed the EWC Funding remains flat lined			381	381
From Reserves			224		224
Estimated Total Income			348	6,074	6,422

* Core salaries funded by RCSIG EIG Retained

** 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.

2025-26

Budgeted Expenditure	Assumptions of Increases	Percentage increase/decrease	Core Funded £000's	Grant Funded £000's	Total £000's
Staffing Costs					
Salaries*	As per Soulbury and NJC Salary Calculator Inflation Factors - maintaining the same staffing structure		-	2,127	2,127
Secondments	4% per annum - as per Soulbury pay scales - assuming the same Secondments	4%		164	164
Travel & Subsistence		0%		10	10
Training and Development		0%	-	5	5
			-	2,306	2,306
Development and Running Costs					
Rent and Accommodation	CPI	2%	16	-	16
Electricity	as per PCC Inflation Factors	0%	2	-	2
Service Charges	CPI	2%	11	-	11
General Office Expenses	Not inflated		7	-	7
Mobile Telephone	CPI	2%	5	-	5
Translation	CPI	2%	-	43	43
Hardware Purchases	CPI	2%	23	-	23
Software	CPI	2%	10	-	10
Marketing	CPI	2%	19	-	19
Service Level Agreements	CPI	2%	243	-	243
External Audit	CPI	2%	17	-	17
Business Plan Objectives**			-	3,725	3,725
			353	3,768	4,121
Estimated Total Expenditure			353	6,074	6,427

Budgeted Income			Core Funded £000's	Grant Funded £000's	Total £000's
Member Local Authority Contributions			241	-	241
Regional Consortia Grant Funding (RCG)	Assumed the RCG remains flat lined		-	4,802	4,802
Grant Funding RCG EIG Retained			-	841	841
PDG Co-ordinator	Assumed the PDG Co-ordinator Allocation within the PDG remains flat lined		-	50	50
Education Workforce Council (EWC)	Assumed the EWC Funding remains flat lined			381	381
From Reserves			112		112
Estimated Total Income			353	6,074	6,427

* Core salaries funded by RCSIG EIG Retained

** 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.

2026-27

Budgeted Expenditure	Assumptions of Increases	Percentage increase/decrease	Core Funded £000's	Grant Funded £000's	Total £000's
Staffing Costs					
Salaries*	As per Soulbury and NJC Salary Calculator Inflation Factors - maintaining the same staffing structure		-	2,219	2,219
Secondments	4% per annum - as per Soulbury pay scales - assuming the same Secondments	4%		171	171
Travel & Subsistence		0%		10	10
Training and Development		0%	-	5	5
			-	2,405	2,405
Development and Running Costs					
Rent and Accommodation	CPI	2%	16	-	16
Electricity	as per PCC Inflation Factors	0%	2	-	2
Service Charges	CPI	2%	11	-	11
General Office Expenses	Not inflated		7	-	7
Mobile Telephone	CPI	2%	5	-	5
Translation	CPI	2%	-	44	44
Hardware Purchases	CPI	2%	23	-	23
Software	CPI	2%	10	-	10
Marketing	CPI	2%	19	-	19
Service Level Agreements	CPI	2%	248	-	248
External Audit	CPI	2%	17	-	17
Business Plan Objectives**			-	3,625	3,625
			358	3,669	4,027
Estimated Total Expenditure			358	6,074	6,432
Budgeted Income					
Member Local Authority Contributions			358	-	358
Regional Consortia Grant Funding (RCG)	Assumed the RCG remains flat lined		-	4,802	4,802
Grant Funding RCG EIG Retained			-	841	841
PDG Co-ordinator	Assumed the PDG Co-ordinator Allocation within the PDG remains flat lined		-	50	50
Education Workforce Council (EWC)	Assumed the EWC Funding remains flat lined			381	381
From Reserves					-
Estimated Total Income			358	6,074	6,432

* Core salaries funded by RCSIG EIG Retained

** 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.