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| Committee(s) | Dated: |
| Education Board | 28th January 2021 |
| Subject: Revenue Budgets 2021/22 | Public |
| Does this proposal require extra revenue and/or capital spending? | No |
| Report of: The Chamberlain Director of Community & Children's Services | For Decision |

Summary

This report is the annual submission of the revenue budgets overseen by your Committee. In particular it seeks approval to the provisional revenue budget for 2021/22, for subsequent submission to the Finance Committee. The proposed budget for 2021/22 has been prepared within the resource envelope allocated to each Director by Resource Allocation Sub Committee, including the Department's Target Operating Model (TOM) efficiency savings of 12%.

A detailed breakdown of the budget will be presented to this Committee in February 2021 similar to the process adopted in the past for the Board to have an oversight of expenditure.

The provisional nature of the revenue budgets particularly recognises that further revisions may arise from the necessary realignment of funds resulting from corporate projects.

| Table 1 Summary | Original Budget 2020/21 £'000 | Latest Approved Budget 2020/21 £'000 | Original Budget 2021/22 £'000 | Movement Original 2020/21 to Original Budget 2021/22 £'000 |
|------------------------|--|---|--|---|
| Expenditure | (2,782) | (3,204) | (2,516) | 266 |
| Total Net Expenditure | (2,782) | (3,204) | (2,516) | 266 |

Overall, the 2021/22 provisional revenue budget totals £2.5m, a decrease of £266,000 when compared with the Original Budget for 2020/21. The main reasons for this decrease are:

- 2021/22 local risk budgets include 2% increase for inflation amounting to £21,000 which has been offset by 2% efficiency savings.
- Fundamental review savings of £140,000 have been deducted from the 2021/22 local risk budget

- Incremental savings of 12% have been included in the 2021/22 local risk budget in order to address the damage to our budgets as a result of the current COVID 19 pandemic.

Recommendations

Members are asked to:

- Review the provisional 2021/22 revenue budget to ensure that it reflects the Committee's objectives and, if so, approve the budget for submission to the Finance Committee;
- Authorise the Chamberlain to revise these budgets to allow for further implications arising from the agreement by this Committee of specific allocations of funding to Academies and Central Support Services;
- agree that minor amendments for 2020/21 and 2021/22 budgets arising during budget setting be delegated to the Chamberlain,

Main Report

Introduction

1. The Education Board is responsible for reviewing the strategy and making recommendations to Committees and the Court as appropriate on the delivery of the City Corporation's vision and strategic objectives in this area. The Board will also have responsibility for distributing funds allocated to it for educational purposes. In addition it will be responsible for the City Corporation's role as an academisponsor.
2. This report sets out the proposed revenue budgets for 2021/22. The revenue budget management arrangements are to:
 - Provide a clear distinction between local risk, and central risk.
 - Place responsibility for budgetary control on departmental Chief Officers
 - Apply a cash limit policy to Chief Officers' budgets
3. The budget has been analysed by service expenditure and compared with the latest approved budget for the current year.
4. The report also compares the current year's budget with the forecast outturn.

Strategic Objectives

5. The Education Board has oversight over the delivery of three City Corporation strategies, namely: the Education Strategy 2019-2023, the Skills Strategy 2018-2023, and the Cultural and Creative Learning Strategy 2018-2023. Whilst standing alone as three distinct strategic areas, these strategies overlap and interconnect to deliver one vision for the City Corporation: To prepare people to flourish in a rapidly changing world through exceptional education, cultural and creative learning, and skills which link to the world of work.
6. The strategies can also be broken down into their individual strategic objectives:

Education

- Deliver a changed focus and approach to developing skills, knowledge and competencies based on harnessing talent and developing skills for 21st Century success.
- Deliver academic excellence in teaching and learning to improve academic attainment and progress.
- Drive equality of opportunity through a proactive approach to promoting social mobility and inclusion, as well as good health and wellbeing.
- Deliver a comprehensive strategy for skills and careers development in the Family of Schools.
- Provide a high quality cultural and creative offer for all pupils from early years to post-16, delivering sustained education in and through the arts and culture.

Skills

- Deliver a changed approach for adult learners, focused on the development of critical skills, knowledge and competencies to meet the challenges of the rapidly changing world of work.
- Continue to improve the quality of teaching and learning in adult education, training and apprenticeships.
- Improve the learning experience and learning outcomes for adult learners impacted by educational and social disadvantage.
- Link learning at all stages with real-world application, improving the transition of learners at critical stages in education and training.
- Forge and maintain dynamic relationships with our City, UK and international partners in industry, higher education, further education, the cultural sector and local communities.

Cultural and Creative Learning

- Create connected routes for pupils and teachers to access the cultural and heritage offer in the City, providing opportunities for creative and cultural experiences to enrich learning.
- Support our cultural organisations to appeal to wider audiences through outreach and learning initiatives and working outdoors.
- Deliver a distinctive City Corporation education and skills offer based on the development of Fusion Skills, in part developed through creative learning and participating in arts and culture.
- Ensure young people have the knowledge, skills and networks to prepare them for careers in the arts, cultural, creative and hybrid sectors.

Proposed Revenue Budget for 2021/22

7. The proposed Revenue Budget for 2021/22 is shown in Table 2 analysed between:
 - Local Risk budgets – these are budgets deemed to be largely within the Chief Officer's control.
 - Central Risk budgets – these are budgets comprising specific items where a Chief Officer manages the underlying service, but where the eventual financial outturn can be strongly influenced by external factors outside of

his/her control or are budgets of a corporate nature (e.g. interest on balances and rent incomes from investment properties).

8. The provisional 2021/22 budgets, under the control of the Director of Community & Children's Services being presented to your Committee, have been prepared in accordance with guidelines agreed by the Policy and Resources and Finance Committees.

| TABLE 2 COMMUNITY & CHILDREN'S SERVICES SUMMARY – CITY'S CASH | | | | | | |
|--|-----------------------|----------------------------|--|--|---|-------------|
| Analysis of Service Expenditure | Local or Central Risk | Actual 2019-20 £'000 | Original Budget 2020-21 £'000 | Original Budget 2021-22 £'000 | Movement 2020-21 to 2021-22 £'000 | Para Ref |
| EXPENDITURE | | | | | | |
| Employees | L | (396) | (341) | (340) | 1 | |
| Supplies and Services | L | (569) | (711) | (446) | 265 | |
| City Premium Grants | C | (1,892) | (1,730) | (1,730) | 0 | |
| TOTAL NET EXPENDITURE | | (2,857) | (2,782) | (2,516) | 266 | 9 |

9. The variance comprises £140,000 of Fundamental review savings as agreed in 2019 along with a further 12% savings required from 2021-22 base budget to address the damage to our budgets as a result of the current COVID 19 pandemic amounting to £126,000. Appendix 2 shows the agreed savings which have been taken out of the 2021-22 budget.

Revenue Budget 2020/21

10. The forecast outturn for the current year is inline with the Latest Approved Budget of £3,204k. **Appendix 1** shows the movement between the Original Budget 2020/21 and the Latest Approved Budget 2020/21.

Draft Capital and Supplementary Revenue Budgets

11. The latest estimated costs of the Committee's current approved capital and supplementary revenue projects are summarised in the Table below.

| Project | Exp. Pre 01/04/20 £'000 | 2020/21 £'000 | 2021/22 £'000 | 2022/23 £'000 | Total £'000 |
|---|-------------------------------|------------------|------------------|------------------|----------------|
| Authority to start work | | | | | |
| City of London Academy Southwark | 5,642 | 90 | - | - | 5,732 |
| City of London Academy Islington New Build | 8,411 | 11,991 | 1,341 | - | 21,743 |
| City of London Academy Islington Temporary School | - | 350 | 233 | - | 583 |
| TOTAL EDUCATION BOARD | 14,053 | 12,431 | 1,574 | - | 28,058 |

12. Both academy school projects are to be funded by the Department for Education, although some of the Islington cost increases are currently underwritten from City's Cash pending confirmation of grant. The costs of the temporary school in Islington are being met by the City (from City's Cash reserves).

13. The latest Capital and Supplementary Revenue Project forecast expenditure on approved schemes will be presented to the Court of Common Council for formal approval in March 2021.

Appendices

- Appendix 1 – 2020/21 Original Budget and Latest Approved Budget
- Appendix 2 – 2021/22 Agreed savings (12%)

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Appendix 1: Movement between 2020/21 Original Book Budget and 2020/21 Latest Approved Budget

| | |
|--|-------------------------|
| Original Budget 2020/21 | £'000 (2,782) |
| Increase in budget as agreed by Policy & Resources (£330k for City premium grants and £70k for Summer Programme) | (400) |
| Increase in Central risk base budget due to the Priorities Investment Pot carry forward from 2019/20 | (17) |
| Increase in budget for contribution pay | (5) |
| Latest Approved Budget | (3,204) |

Appendix 2: 2021/22 Savings (12%)

| Short Description | Long Description | 2021/22 Estimated £'000 Saving | Impact | Risk Level |
|------------------------------|--|--------------------------------------|--------|------------|
| Education Strategy | Governor Training | 1 | Medium | Medium |
| Education Strategy | School Leadership Development | 10 | Medium | Medium |
| Skills Strategy | World of work & Fusion Hub Development | 35 | Medium | Medium |
| Skills Strategy | Skills Forum | 14 | Low | Low |
| Cultural & Creative Strategy | Cultural & Creative Learning forum | 14 | Low | Low |
| Cultural & Creative Strategy | Cultural Access | 20 | Medium | Medium |
| Cultural & Creative Strategy | Culture Mile Learning | 28 | Medium | Low |
| Central Education Budget | Printing/Office supplies | 4 | Low | Low |
| | | | | |
| | | 126.0 | | |