

<b>Committee(s):</b> Education Board – For decision	<b>Dated:</b> 03/12/21
<b>Subject:</b> Revenue Budgets 2022/23	<b>Public</b>
<b>Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?</b>	3,7,8
<b>Does this proposal require extra revenue and/or capital spending?</b>	<b>N</b>
<b>Report of:</b> Director of Community & Children's Services and the Chamberlain	<b>For Decision</b>

### 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 2022/23, for subsequent submission to the Finance Committee. The proposed budget for 2022/23 has been prepared within the resource envelope allocated to each Director by Resource Allocation Sub Committee.

A detailed breakdown of the budget will be presented to this Committee in January 2022 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 decisions at Policy & Resources Committee.

<b>Table 1 Summary</b>	<b>Original Budget 2021/22</b>	<b>Latest Approved Budget 2021/22</b>	<b>Original Budget 2022/23</b>	<b>Movement Original 2021/22 to Original Budget 2022/23</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Local Risk	(786)	(840)	(789)	(3)
Central Risk	(1,730)	(1,747)	(2,182)	(452)
<b>Total Net Expenditure</b>	<b>(2,516)</b>	<b>(2,587)</b>	<b>(2,971)</b>	<b>(455)</b>

Overall, the 2022/23 provisional revenue budget totals £2.9m, an increase of £455,000 when compared with the Original Budget for 2021/22. The main reasons for this increase are:

- 2022/23 local risk budgets include 2% increase for inflation amounting to £16,000 which has been offset by 2% efficiency savings.
- Reduction in Academy grants envelope of £316,000 to a total of £1,414,000 as agreed by the Schools Funding Model
- Additional resources of up to £768,000 subject to Policy and Resources Committee approval as part of the Schools Funding Model to support implementation of an annual strategic plan for education projects and partnership working which will support the City independent schools and the City of London Academies Trust academies.

### **Recommendations**

Members are asked to:

- Review the provisional 2022/23 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 2021/22 and 2022/23 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 academy sponsor.
2. This report sets out the proposed revenue budgets for 2022/23. 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 2022/23**

7. The proposed Revenue Budget for 2022/23 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 budget/s of a corporate nature (e.g. interest on balances and rent incomes from investment properties).

8. The provisional 2022/23 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	Original	Original	Movement	Para Ref
		2020-21 £'000	Budget 2021-22 £'000	Budget 2022-23 £'000	2021-22 to 2022-23 £'000	
<b>EXPENDITURE</b>						
Employees	L	(461)	(325)	(412)	(87)	
Supplies and Services	L	(937)	(461)	(377)	84	
City Premium Grants	C	(2,060)	(1,730)	(1,414)	316	9
Partnership Project Grants	C	0	0	(384)	(384)	10
Strategic Project Grants	C	0	0	(384)	(384)	10
<b>TOTAL NET EXPENDITURE</b>		<b>(3,458)</b>	<b>(2,516)</b>	<b>(2,971)</b>	<b>(455)</b>	

9. Reduction of £316,000 in relation to the City Premium Grants to Academies as agreed by P&R Committee in May 2021 as part of the overall Schools Funding Model.

10. Additional resources allocated subject to P&R Committee approval as part of the Schools Funding Model to support implementation of an annual strategic plan for educational projects and partnership working which will support the City independent schools and the City of London Academy Trust’s academies. The total amount of budget was £768,000 of which £384,000 will be used for Partnership project grants and the remaining £384,000 to be used towards Strategic Project grants.

### Revenue Budget 2021/22

11. The forecast outturn for the current year is showing a small overspend when compared with the Latest Approved Budget of £2,516k due to pressures within the salary budget. These have been addressed as part of the TOM review and the savings will be made from 2022/23. **Appendix 1** shows the movement between the Original Budget 2021/22 and the Latest Approved Budget 2021/22.

## Draft Capital and Supplementary Revenue Budgets

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

Project	Exp. Pre 01/04/21 £'000	2021/22 £'000	2022/23 £'000	2023/24 £'000	Later Years £'000	Total £'000
<b>Authority to start work</b>						
City of London Academy Islington New Build	16,324	5,715	-	-	-	22,039
City of London Academy Islington Temporary School	228	510	-	-	-	738
<b>TOTAL EDUCATION BOARD</b>	<b>16,552</b>	<b>6,225</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22,777</b>

2. The new build academy school project has now achieved practical completion and the School has been in occupation since September 2021. This project was funded by the Department for Education in the main however P&R Committee agreed in June 2018 to fund elements of the school build not covered by the DfE but which officers and members felt were essential. In addition, Court of Common Council approved underwriting further funding towards the cost of the school build. The costs of the temporary school in Islington are being met by the City (that is, from City's Cash reserves).
3. 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 2022.

### Appendices

- Appendix 1 – 2021/22 Original Budget and Latest Approved Budget

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**Appendix 1: Movement between 2021/22 Original Book Budget and 2021/22 Latest Approved Budget**

	<b>£'000</b>
Original Budget 2021/22	(2,516)
Increase in Central risk base budget due to the Priorities Investment Pot carry forward from 2020/21	(17)
Increase in budget for centrally funded apprentice and Covid heros	(19)
Allocation from Polivy Innovation Fund to support delivery of a workshop under Culture and Commerce Taskforce	(5)
Increase in Local Risk budget due to carry forward from 2020/21	(30)
<b>Latest Approved Budget</b>	<b>(2,587)</b>