

Committee(s): Education Board	Dated: 02/12/22
Subject: Revenue Budgets 2023/24	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	3,7,8
Does this proposal require extra revenue and/or capital spending?	N
Report of: Director of Community & Children's Services and the Chamberlain	For Decision

Summary

This report is the annual submission of the revenue budgets overseen by your Committee. It seeks approval to the provisional revenue budget for 2023/24, for subsequent submission to the Finance Committee. The proposed budget for 2023/24 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 February 6 2023, 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.

Table 1 Summary	Original Budget 2022/23	Latest Approved Budget 2022/23	Original Budget 2023/24	Movement Original 2022/23 to Original Budget 2023/24
	£'000	£'000	£'000	£'000
Local Risk	(789)	(802)	(814)	(25)
Central Risk	(2,182)	(2,185)	(2,226)	(44)
Total Net Expenditure	(2,971)	(2,987)	(3,040)	(69)

Overall, the 2023/24 provisional revenue budget totals £3.0m, an increase of £69,000 when compared with the Original Budget for 2022/23. The main reasons for this increase are:

- 2023/24 local risk budgets include a net 2% overall increase amounting to £16,000 (4% increase for inflation partly offset by 2% efficiency savings).
- 2023/24 local risk budget was increased by £9,000 in relation to the July 22 pay award
- Increase in Academy grants envelope of £44,000 to a total of £1,458,000 as per the latest Schools Funding Model

Recommendations

Members are asked to:

- Review the provisional 2023/24 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 2022/23 and 2023/24 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 2023/24. 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 2023/24

7. The proposed Revenue Budget for 2023/24 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 2023/24 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.

Analysis of Service Expenditure	Local or Central Risk	Actual 2021-22 £'000	Original Budget 2022-23 £'000	Original Budget 2023-24 £'000	Movement 2022-23 to 2023-24 £'000	Para Ref
EXPENDITURE						
Employees	L	(530)	(412)	(424)	(12)	
Supplies and Services	L	(374)	(377)	(390)	(13)	
Fees and Services	C	(14)	0	0	0	
City Premium Grants	C	(1,730)	(1,414)	(1,458)	(44)	9
Partnership Project Grants	C	0	(384)	(384)	0	
Strategic Project Grants	C	0	(384)	(384)	0	
Supplementary Revenue Project	C	(506)	0	0	0	
INCOME						
Government Grants	L	12	0	0	0	
Non-Government Grants	L	80	0	0	0	
TOTAL NET EXPENDITURE		(3,062)	(2,971)	(3,040)	(69)	

9. Increase of £44,000 in relation to the City Premium Grants to Academies as agreed as part of the overall Schools Funding Model.

Revenue Budget 2022/23

10. The forecast outturn for the current year is on budget when compared with the Latest Approved Budget of £2,987. **Appendix 1** shows the movement between the Original Budget 2022/23 and the Latest Approved Budget 2022/23.

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 01/04/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	Later Years £'000	Total £'000
<u>Authority to start work</u>						
City of London Academy Islington New Build (Richard Cloudesley School)	21,988	1,234	-	-	-	23,222
TOTAL EDUCATION BOARD	21,988	1,234	-	-	-	23,222

2. The new build academy school project has now achieved practical completion and the school has been in occupation since August 2021. This project was funded by the Department for Education, although some of the cost increases are currently underwritten from City's Cash pending confirmation of grant. Outstanding costs for 22/23 are attributed to snagging items and outstanding fees.
3. This project has created an asset owned by the City of London Academy Islington.
4. 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 2023.

Appendices

- Appendix 1 – 2022/23 Original Budget and Latest Approved Budget

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Appendix 1: Movement between 2022/23 Original Book Budget and 2022/23 Latest Approved Budget

	£'000
Original Budget 2022/23	(2,971)
Increase in Central risk base budget due to the Priorities Investment Pot carry forward from 2021/22	(3)
Increase in Local Risk budget due to the July 2022 pay award	(13)
Latest Approved Budget	(2,987)