

## City of London Corporation Committee Report

<b>Committee(s):</b> Education Board	<b>Dated:</b> 02/12/2024
<b>Subject:</b> Revenue Budgets 2025/26	<b>Public</b> For Decision
<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>	No
<b>Report of:</b> The Chamberlain and the Executive Director of Community and Children's Services	
<b>Report author:</b> Beatrix Jako, Chamberlain's Department	

### Summary

This report is the annual submission of the revenue budgets overseen by your Committee. It seeks approval to the provisional revenue budget for 2025/26 for subsequent submission to the Finance Committee. The proposed budget for 2025/26 has been prepared within the resource envelope allocated to each Director by Resource Allocation Sub Committee.

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 and the final allocations of the school funding model.

The provisional 2025/26 Original Budget, presented in the report, does not account for the increased rate of employer National Insurance (NI) contributions that will take effect from April 2025. The budget will be revised during the financial year to incorporate these changes.

<b>Table 1 Summary</b>	<b>Original Budget 2024/25</b>	<b>Approved Budget 2024/25</b>	<b>Original Budget 2025/26</b>	<b>Movement Original 2024/25 to Original Budget 2025/26</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Local Risk	(863)	(863)	(880)	(17)
Central Risk	(2,226)	(2,226)	(2,226)	-
Support Services	(2)	(2)	(55)	(53)
<b>Total Net Expenditure</b>	<b>(3,091)</b>	<b>(3,091)</b>	<b>(3,161)</b>	<b>(70)</b>

Overall, the 2025/26 provisional revenue budget totals £3.161m, an increase of £70,000 when compared with the Original Budget for 2024/25. The main reasons for this increase are:

- 2025/26 local risk budgets include a 2% inflation uplift amounting to £17,000;
- 2025/26 support services budget was increased by £53,000 due to a new basis of apportionment for all recharges.

## **Recommendations**

Members are asked to:

- Review the provisional 2025/26 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 individual Academies after finalisation of the schools funding model;
- Agree that minor amendments for 2024/25 and 2025/26 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 2025/26. 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 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 the City Corporation Education Strategy. This work is driven by our vision for education: “supporting others to provide outstanding education, lifelong learning and skills” (Corporate Strategy) and “we believe all learners - especially those facing the most challenge - are entitled to an education which helps them to achieve their best academically and helps them develop and flourish as people. We define this as the development of academic excellence, cultural knowledge, work-readiness and a lifelong love of learning” (Education Strategy 2024-2029 vision).

## Proposed Revenue Budget for 2025/26

6. The proposed Revenue Budget for 2025/26 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).
  - **Support Services**– these cover budgets for services provided by one activity to another. The control of these costs is exercised at the point where the expenditure or income first arises as local or central risk.
7. The provisional 2025/26 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 EDUCATION BOARD SUMMARY – CITY’S ESTATE					
Analysis of Service Expenditure	Local or Central Risk	Original Budget 2024-25 £'000	Original Budget 2025-26 £'000	Movement 2024-25 to 2025-26 £'000	Para Ref
<b>EXPENDITURE</b>					
Employees	L	(415)	(457)	(42)	8
Premises Related Expenses	L	-	-	-	
Supplies and Services	L	(448)	(423)	25	
City Premium Grants	C	(1,458)	(1,458)	-	
Partnership Project Grants	C	(384)	(384)	-	
Strategic Project Grants	C	(384)	(384)	-	
<b>INCOME</b>					
Customer, Client Receipts	L	-	-	-	
<b>SUPPORT SERVICES</b>					
Central Support Services		(2)	(55)	(53)	9
<b>TOTAL NET EXPENDITURE</b>		<b>(3,091)</b>	<b>(3,161)</b>	<b>(70)</b>	

8. Employment costs have increased due to inflation in salary budgets. Furthermore, the 2025/26 Education Strategy Unit (ESU) budget includes the Cultural and Creative Lead post, which is being funded from the former Culture Mile Learning budget that was transferred to the ESU.
9. During 2023/24 a review of central support services recharges was carried out. This involved updating the basis of apportionment for all recharges following the Target Operating Model and Governance Review along with trying to make them more transparent and fairer across all services. The updated basis has led to several variations to the originally budgeted charge across committees, but overall total recharges have remained within the total original envelope.

### Revenue Budget 2024/25

10. The forecast outturn for the current year is on budget when compared with the Approved Budget of £3.091m. **Appendix 1** shows the movement between the Original Budget 2024/25 and the Original Budget 2025/26.

### 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 01/04/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	Later Years £'000	Total £'000
<b>Authority to start work</b>						
City of London Academy Islington New Build	(23,156)	(67)	-	-	-	(23,223)
<b>TOTAL EDUCATION BOARD</b>	<b>(23,156)</b>	<b>(67)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(23,223)</b>

2. This project has created an asset owned by the City of London Academy Islington.
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 2025.

## Appendices

- Appendix 1 – Movement between 2024/25 Original Budget and 2025/26 Original Budget

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### Appendix 1: Movement between 2024/25 Original Book Budget and 2025/26 Original Budget

	£'000
<b>Original Budget 2024/25</b>	<b>(3,091)</b>
<ul style="list-style-type: none"><li>• 2% inflation uplift in Local Risk budget</li><li>• new basis of apportionment for all recharges</li></ul>	(17) (53)
<b>Original Budget 2025/26</b>	<b>(3,161)</b>